


**“FEASIBILITY OF THE NEW PUBLIC MANAGEMENT  
IN MEXICO”**

Master of Public Administration Research Report


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I want to dedicate this document to my former co-workers of the Primera Sala del Supremo Tribunal de Justicia del Estado de San Luis Potosí.




**Acknowledgement:**

I would like to thank Carol, Gary, Laura and Lynn for their valuable contributions. Thanks also to my loved friends in Mexico, who have been always “echándome porras”. Finally, thanks to Marcos, va una, faltan dos. Ahí la llevamos...




“The vision of the motherfathers, ancestor to the Mayas came all at once, so that they saw perfectly, they knew everything under the sky whenever they sighted the four sides, the four corners in the sky on the earth. Their limits then were those of the world itself. But fearing their vision, the Gods blinded their creations as the face of a mirror is breathed upon. Their vision flickered. Now it was only when they looked nearby that things were clear.”

*In the "Popol Vuh", the Mayan Book of the World.*



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## Introduction

I never had realized how different I was until I came to Canada. Suddenly I was aware that values, practices and behaviours were different from the ones that I had lived with my whole life.

I am the first Latin American studying in the Master of Public Administration in the Local Government program at The University of Western Ontario. We both, professors and myself, have learned to “expand our worlds” sharing our very different backgrounds. Therefore, I did not have to look far to find a research theme that could continue with this learning process.

This document will be first of all, an auto-analysis, a self-examination about the extensive meaning that Mexicans – including myself- give to the concept “work”; moreover, I will be recapitulating my experiences as former public sector employee. In a sense, I will be discovering myself. Therefore, it is possible that the readers do not share my estimations because these will be hued by my history. In addition, my report will be limited by the lack of “first-hand” data, such as surveys among public employees in Mexico conducted by myself, which would have enriched this document. Unfortunately, I did not have the material resources and time to do so. However, I based my research in as many serious sources as I could.

My second objective is the one that will meet the requirements for an MPA research report: It is obvious that governments around the world are not satisfied with their management systems. Such restlessness exists not only among public servants, but also among citizens who demand efficiency and efficacy from their authorities. Consequently, public administrators have tried to find the theory and practices that could respond to such concerns. As a result, the New Public Management has become more popular than ever. Its practices and principles have been seen as lifesavers for many local governments with Anglo-Saxon roots. New Public Management advocates have said that their ideas are applicable around the world and some managers have believed them.

Mexico has started a very interesting era: the one that Mexican political science analysts have called “the boring democracy”<sup>1</sup>. With the triumph of Vicente Fox, we finished sixty years of government in the hands of the same political party, the Partido Revolucionario Institucional, PRI. All those years, the country experienced both, the best and the worst of government administration and credibility in public institutions fell dramatically. As per usual, top managers have turned their eyes to the North, looking for guidance. We have “imported” management techniques from other countries with the expectation of improving our government.

With my natural scepticism, I decided to analyze the core themes that compromise the New Public Management and explore them under the lenses of Mexican cultural values and practices, in order to determine their feasibility in my country.

I have divided this report into the following five parts:

- In the first section, I will analyze the meaning of the concept of “work” for Mexicans, especially the relationship that this notion has with the State and the place that it occupies within the complex society and culture of Mexico.
- The second section, “Cultural Divergences”, will analyze the most important cross-cultural studies, in order to compare the main dimensions on which county cultures differ. I decided emphasise such dimensions in three countries. This includes Canada and the United States because most of the New Public Management ideas were created in those countries, and logically, Mexico, the country that would receive these practices. I will pay especial attention to the values and social relations in order to understand why and how individuals behave in workplaces, especially in the public sector.

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<sup>1</sup>Quoted by Andres Oppenheimer in his article “El informe Oppenheimer” in the Mexican newspaper Reforma. [www.reforma.com.mx](http://www.reforma.com.mx)

- Subsequently, I will analyze the core concepts included in the New Public Management. Such a study will be divided into two sections, each addressing a different perspective on the New Public Management. The first one will analyze the stream of ideas that sympathizes with the application of market practices in public administration, while the second section deals with the literature that offers a critique of business-oriented schemes in the public arena and gives especial attention to citizens as the foundation of New Public Management.
- In the fourth section, I will discuss how each of these two models of the New Public Management may or may not apply in Mexico, given the analysis presented in the previous sections of this document. This part will stress the cultural reasons that may present difficulties for the implementation of foreign management practices in Mexico.
- In the last section, I will provide some recommendations that I consider crucial for public sector management in Mexico. I am not intending to provide a management model for Mexicans; my intention will be just to highlight specific issues that must be considered in the creation of such a model. Finally, the report ends with a brief conclusion.

Since my native language is Spanish, I am confident that the reader will be benevolent if coming across any grammatical error or language misuse in this text.

## Part I – Mexicans and Work

To understand Mexicans in the workplace we must go to the roots of this culture with some historical references.

When the Spaniard conquerors arrived at Mexico-Tenochtitlan in 1519, they found a very well organized society. The Aztecs dominated the majority of the national territory. This tribe had imposed its way of governing through wars and agreements with communities less powerful than Aztecs. These communities used to pay tribute or “tributo” consisting in grains of coffee, food or other precious objects to the Emperor and, in exchange, powerless communities received protection and cultural and scientific knowledge. Moreover, Bernal Diaz del Castillo, a soldier who accompanied Capitan Hernan Cortez during the beginning of the Conquest in 1521 wrote in his book “The True History of the Conquest of Mexico” that never his eyes had never seen such a beautiful city, so perfectly planned and well organized<sup>2</sup>.

Similar situations were found in the rest of the national territory where most of the tribes were organized in complex societies with cities well established.

The citizens of these antique metropolises were not barbarians, in fact, Father Bartolome de las Casas, a Dominican Priest and later Bishop of Chiapas, in Mexico wrote around 1552 or early 1553:

They (Mexican Indians) are not ignorant, inhuman, or bestial. Rather, long before they had heard the word Spaniard they had properly organized states, wisely ordered by excellent laws, religion, and custom. They cultivated friendship and, bound together in common fellowship lived in populous cities in which they wisely administered the affairs of both peace and war justly and equitably, truly governed by laws that at very many points surpass ours, and could have won the admiration of the sages of Athens<sup>3</sup>.

The state, laws and cities were strongly influenced by two factors: family and religion. We can say that all communities were family-centered. The biological family

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<sup>2</sup> Bernal Diaz Del Castillo The True History of the Conquest of Mexico (Michigan: Ann Arbor, University Microfilms, Inc. 1966) p. 72.

<sup>3</sup> Bartolome de las Casas, In Defense of the Indians (Illinois: University Press, 1992) p. 42



which consisted of parents and un-married children constituted the basic production unit of the villages. Cooperation within the immediate family was essential, for without a family the individual stood unprotected and isolated, a prey to every form of aggression, exploitation, and humiliation. It was within the small biological family that the indigenous individual sought personal security. The extended family provided additional security, particularly in times of emergency.

The family relationship was characterized by reciprocity of cooperation, which included borrowing and labour exchange. The father was the master of the household and enjoyed the highest status in it. He was responsible for the support of the family and he made all major decisions. It was his prerogative to expect obedience, respect and service by his wife and children. Even though a wife was subordinate to her husband, she had the central role within the house. She was responsible for planning, organizing and managing the household, and for the training and care of the children. The husband's participation in family and household affairs was minimal. His work was outside the home. The division of labour was clear-cut, except for emergencies and for such jobs as hauling water and repairing the house.

Based in the families, the cities were divided in "calpullis" The "calpulli" was the basic form of land ownership before the Conquest. This system consisted in:

...dividing the populated areas into various suburbs or calpulli, each of them with a set amount of land, this land did not belong to the inhabitants as individuals, but rather was granted to a family or tribe... The person who left his calpulli, or who failed to cultivate the land assigned to him, lost his right to share in the communal properties<sup>4</sup>.

The sense of "community", then, was understood as the union of families. As per this analogy, the government was the organization that gathered and protected all families; in short, it was seen as the father of the community.

The Indigenous people had a strong system of religion. Anthropologists working in the south of Mexico have found a vital cosmology that infuses indigenous

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<sup>4</sup> Gabino Fraga El Derecho Agrario (Mexico City: Mexico en la Cultura, 1946) p. 28.

cultures<sup>5</sup>. Beliefs about “our Father the Sun” and “our Grandmother the Moon” were the balance of the underworld and over world related to gender. Due to religiosity, Indigenous states were theocratic and military. Each pre-Cortesian city worshiped Gods who steadily became more alike: their names were different but the ceremonies honouring them were similar.

However, indigenous’ Gods were born, grew and died. In fact, when the Spaniards arrived, the native priests had announced that the end of the Empire was near, and the Mexican chieftain, Cuauhtemoc (name that means “Falling Eagle”) strongly believed that Aztecs had been abandoned by their Gods. Interestingly, after the Conquest some of the saint’s images were compared with native Gods: Saint Thomas is sometimes identified with the rain God, Tlaloc, and Santiago is equated with the thunder God, Cha’uk and so on<sup>6</sup>.

In addition, the story about the God Quetzalcoatl had predicted that Quetzalcoatl, the God with white skin and blonde hair, would come back to initiate a “New Era” for Tenochtitlan. The arrival of the fair-skinned, fair-haired Spaniards confirmed the prophecy for the Aztecs. Some intellectuals such as Carlos Fuentes, Octavio Paz and Ramon Lopez Velarde have said that the Aztecs did not offer as much resistance against the conquerors as they could have done because it would have meant going against divine designs. Their defeat then, was a sacrifice, a suicide

The great betrayal with which the history of Mexico begins was not committed by the Tlaxcaltecas or by Moctezuma and his group: It was committed by the Gods. No other people have ever felt so completely helpless as the Aztec nation felt at the appearance of the omens, prophecies and warnings than announced its fall...The Gods departed because their period of time was at an end, but another period returned and with it, another era<sup>7</sup>.

The political genius of Cortes, the superior techniques of the Spaniards and the defection of vassals and allies could not have brought about the ruin of the Aztec

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<sup>5</sup> Jacinto Arias Perez Expulsiones religiosas en San Juan Chamula (Mexico City: Centro de Cultura Economica, 1991) p.134

<sup>6</sup> For further references see June Nash Mayan Visions, 1991.

<sup>7</sup> Octavio Paz, The labyrinth of Solitude, (New York: Grove Weidenfeld, 1985) p. 93-94. Note that the Tlaxcaltecas was a tribe that set an alliance with the Spaniards against Aztecs

Empire if it had not suddenly felt a sense of weakness, an intimate doubt that caused it to vacillate and surrender. Due to that profound religiosity, it was relatively easy to introduce the principles of the Catholic Church. Spaniards not only kept the Indians because they needed their labour, but also because of the pressure exercised by the priests. Moreover, baptism opened a door for Indians to be part of society, which did not occur with other natives in North America “this possibility of belonging to a living order, even if it was at the bottom of the social pyramid, was cruelly denied to the Indians by the Protestants of New England”<sup>8</sup>. The Catholic Church brought the Aztecs and other natives groups back to society and made them lose the feeling of being orphaned by the falling of the Empire to the Spaniards.

The conquerors rapidly discovered that indigenous were good and skilled workers, and referring to Father Bartolome de las Casas noted that

...they are easy to teach, and very talented in learning all the liberal arts...skilled in every mechanical art...and in the liberal arts that they have been taught up to now, such as grammar and logic, they are remarkably adept<sup>9</sup>.

This facility of adaptation to new tasks helped enormously to the survival of the natives, however, that does not mean that they accepted the condition easily, given the fact that cruel methods were used to “teach” them. During the Cortesian era, almost all indigenous persons were part of a system of work called “Encomienda”. Encomienda roughly translated means as much as “recommendation”. Under this system, a random number of Indians was distributed by the local commanders to the individual Spanish landowners and “recommended” to them for the reason that they required this protection for their prompt conversion to Catholicism. In reality, the status of these protégés was that of serfs: they were totally at the mercy of their new masters, and received no wages or upkeep for the work that their protector-“encomendero” asked of them.

Usually the economy of the Colony was concentrated in mining and plantations. The system was revoked by the “Nuevas Leyes de las Indias”, a set of

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<sup>8</sup> Ibid, p.102.

<sup>9</sup> Bartolome de las Casas In Defense of the Indians (Illinois:University Press, 1992) p.44

laws announced in Seville in 1542; under these laws, it was prohibited that governors, landowners or clerics take indigenous under their “protection”. Of course, the privileged people of the New Spain presented a strong resistance against the “Nuevas Leyes de las Indias”, and finally the King Charles V revoked the laws on November 20, 1545. This situation made clear that the possibility of a political solution to achieve equity would not be possible.

Through the years, the natural mixture of Spaniards and Indigenous increased the complexity of Mexicans’ personality. A “new Mexican” was born: the “mestizo”. The mestizo was the vessel that contained two strong heritages. Usually he was not completely accepted by anyone; neither the Spaniards nor the Indians, he was part of everything and part of nothing at the same time. Over centuries, all Mexicans have become mestizos and the sensation of being in the middle of nowhere is still there.

Moreover, a side effect of the Colony was the increasing/incorporation of distrust against outsiders and as strange as it sounds, against oneself. Mishra defines trust as “one party’s willingness to be vulnerable to another party based on the belief that the latter party is competent, open, concerned and reliable”<sup>10</sup>. This phenomenon may be because of the pain that the birth of the Cortesian era caused; Mexicans no matter what their social position “seems to me to be a person who shuts himself away to protect himself: his face is a mask and so is his smile”<sup>11</sup>. This mask is not easily removed, and an outsider has to prove several times that his intentions are pure and honest, direct.

A Mexican usually thinks that double intentions live in every person, and the hidden one is even more important than the one that is told since the beginning. This second intention is not showed because its objective is to take advantage of the subject. The motives of everyone are suspect, from the highest public officials of the nation to the local priest and even relatives. It is assumed that anyone who has power will use it to his own advantage. Honest government is deemed almost impossible.

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<sup>10</sup> J. Mishra. (1996). Organizational responses to crisis: The centrality of trust. In Ronald C. Nyhan, “Changing the Paradigm. Trust and Its Role in Public Sector Organizations”. American Review of Public Administration, Vol. 30 no. 1. March 2000, p.88

<sup>11</sup> Octavio Paz, The labyrinth of Solitude. (New York: Grove Weidenfeld, 1985) p.29

This reaction is justifiable if one considers what our history has been and the kind of society we have created.

One can notice the distrust even in the Mexican architecture. For example, houses tend to have strong brick walls so there are not shared back yards like the ones in Canada. Office space follows the same path. Every desk within an office has its boundaries and a non-spoken code of invitation to access is expected, even if there are not walls separating them. The harshness and hostility of our environment and the hidden, is always afloat in the air. But this attitude, legitimate enough in its origins, has become a mechanism that functions automatically.

A way to respond to hidden intentions is what we call "el ningunco"; the word "ninguno" means "nobody" and "ningunco", which does not have a precise translation in English is a word derived from "ninguno". Through the "ningunco", we change a person from somebody into nobody, into nothingness. We pretend that our fellow-man does not exist. This is not to say that we deliberately ignore or discount him. Our dissimulation is a great deal more radical than that. We become a person in Mr. /Ms. No one. The "ningunco" apply to everybody that makes us distrust, it does not matter if that person is a co-worker with the same status or the manager, an elected official or even the President of the Republic. We nullify him, cancel him out.

Since the Colony passing from the Independence and until the Revolution - in 1910-, most of Mexicans were fighting to recover the status of "somebody" in society. Governmental and Ecclesial institutions were structured to benefit the richest people, especially during the almost thirty years that Porfirio Diaz, the dictator that the Revolution toppled, governed. During that time, commerce was stimulated, railroads were built, the Public Treasury was freed of debt, and the first modern industries were established. In that time, the doors were opened wide to Anglo-American capitalism. With the American industries, the worker population started to turn from farmers and miners to fabric workers in the cities.

Due to new techniques introduced by Americans in the early 1900's these modern workers started to lose the individuality that they had kept in the country. Paz wrote the following about it:

The modern worker lacks individuality. The class is stronger than the individual and his personality dissolves in the generic. That is the first and gravest mutilation a man suffers when he transforms himself into an industrial wage earner. Capitalism deprives him of his human nature (this does not happen to the servant) by reducing him to an element in the work process, i.e., to an object<sup>12</sup>.

I would say that Paz is radical in this point, however, as it was a fact that for the first time in their History, Mexicans were measured depending the objects that they produced. In a way, the bind between object-man became a pressure because the more objects produced, the more benefits achieved. This maxim is not in the Mexicans' attitude toward work: all our faculties and all our defects as well, are opposed to this conception of work as an impersonal action repeated in equal and empty portions of time.

The Mexican works slowly, carefully, he loves the completed work and each of the details that comprise it; and his innate good taste is an ancient heritage. This does not mean that the Mexican is incapable of being what is called "a good worker". In fact, over the last century given their love of detail Mexican workers living in the United States are appreciated because of their perfectionism, and of course because of the low salaries that the Americans pay them. The Mexican-American (called "Chicanos") had a long story that date since 1910 when 219,000 emigrated to USA running away form the Revolution. Currently, over 20 million Mexicans live in the States, working in industries or plantations. They have had several fights to defend not only their culture and traditions, but also the most elemental Human Rights in the workplace. This struggle has not finished yet.

Not only the Chicanos protected their workplace practices; all Mexican workers have strong organizational cultures that reflect the uses and costumes of the

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<sup>12</sup> Ibid p.67

country. We could say that Mexican organizations are the whole country's mirror. Mexicans like parties, "fiestas" and our calendar is crowded with celebrations. Everything could be a motif to celebrate: a saint's day, the commemoration of some battle, the day of a National hero; we even have a festivity where we remember our dead. There are some days where the whole country is paralysed because a religious festivity, like the day of the Virgin of Guadalupe. And as all places around world, we celebrate anniversaries, birthdays and so on.

Parties are very important because, I would dare to say, they are the occasions when we take our masks off, we trust everybody, and we enjoy making confessions to complete strangers. Then, as one can suppose, celebrations in offices are a core element. By celebrations I am including all those little get together in the workplace, such as breakfasts and coffee chats within office hours, not only the well prepared Christmas' parties. A common mistake in bosses is to take away some parties in order to obtain more control and discipline over subordinates; this tactic has showed to be a mistake everywhere, but in Mexico that is almost a sin because suppresses some of the few moments where hierarchies disappear. Fiestas can be the decisive moment to create truly alliances among co-workers, and they can also determine the failure of a Manager or co-worker if he does not get involve and share the moment showing confidence in the group. When a Mexican takes his mask off, he does it forever: commitment, solidarity, friendship and support will be present without exaggeration, until death. The solidarity built between co-workers and workers-manager could finish, if necessary with a massive renounce if one of the members suffer an injustice, because once that the Mexican "open himself" commitment is a natural reaction.

Every group/office has its own festivities and codes, and Mexican public sector employees are not the exception. In the 1940's being a public employee was synonymous of "status" in the worker class. The Revolution's heirs decided that once that the fights were over, it was time to organize a government that could pursue the

ideals of Revolution: democracy, equity, progress. Everyone that could contribute directly to those objectives and be a part of the evolution deserved respect.

However, during seventy years, the government was in charge of the “Partido Revolucionario Institucional” (Institutional and Revolutionary Party, PRI) and not much progress was made. Again, the feeling of disappointment and betrayal inundated the heart of Mexicans. Then, the image of public servants was slowly degraded, and even they were not proud anymore of being bureaucrats:

As a result, the spirit of accommodation –a natural product, it would appear, of all revolutions that turn into governments- has invaded almost every area of public activity. In addition, government service has become a sort of cult of secret, with the usual bureaucratic rituals and state secrets. Public affairs are not discussed, they are whispered. It should be remembered, however, that in serving the government a number of men have made genuine personal sacrifices. The demon of efficiency (rather than ambition), the desire to contribute to the collective effort, and even an ascetic view of civic duty as a form of self-abnegation, have caused some of them to suffer the unhappiest of all losses: that of a sense of personal accomplishment<sup>13</sup>.

This paragraph was written in 1950 and it could not be truer: politicians still whisper about public affairs and even the simplest issues are treated as secret. Logically, not only the chain of communication is severally damaged but also the motivation of public employees.

In the last two years, Mexico has started a slow transformation. In 2000 for first time in its History, a traditional party of opposition, the “Partido Accion Nacional” (National Action Party, PAN) ended seventy years of PRI government and won the Presidency of the Republic. The psychological effect in Mexicans was tremendous. New hopes and optimism embraced all government areas, the sensation of be part of a New Era is there again. The President, Vicente Fox Quezada comes from a business background, and as business-man, he is introducing entrepreneurial techniques in public sector in order to achieve efficiency and efficacy. Concepts such as quality, citizen’s centred government, competitiveness, and

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<sup>13</sup> Ibid, p. 158



performance measurements, have started to live in public offices. Foreign management techniques have started to be implemented.

As in all changes, bureaucrats are sceptic; they distrust about the intention of this innovation. Several questions come to my mind, Is this modernization plan condemned to fail? Is a governmental intention strong enough to modernize its branches? Can we generalize management techniques and apply them no matter what country and what individuals? Will be our National culture the fist obstacle or the main strength?

## Part II – Cultural Divergences

Humans like to make assumptions. Scholars do not escape from this temptation. Reviewing the literature about what has been called New Public Management, we can extract some assumptions: The first one is that what motivates people in North America motivates people around the world. The second one is that if one can manage people in North America, one can manage people anywhere. In fact, only Osborne and Plastrik<sup>14</sup> make a brief reference about the applicability of their strategies in different places. They talk about governments that may not “be ready to reinvent” and add that may some extra work will be required. Moreover, reviewing the next pages we can see some techniques that could be useful in countries such as Britain, Australia and Canada, all of them Anglo-Saxons with common cultural roots. Latin or African countries do not figure out in the map.

Personality and culture can both be reduced to patterns of human behaviour. Personality refers to “an individual’s characteristic pattern or enduring tendency of thoughts, feelings and behaviour; culture refers to the characteristic configuration of thoughts, feelings, and behaviours shared by members of a group.”<sup>15</sup> There are a fair number of definitions of culture, and all of them seem to agree that culture is learned and shared by the members of a society. Thus, culture provides the conceptual framework for explaining how individuals behave, which is key while managing. The human-made part of the environment sets the norms, traditions, and expectancies for perceiving, interpreting and enacting social responses that are transmitted to the individual through patterns of socialization, enculturation and acculturation.

The scientific psychologist Ezequiel A. Chavez asserted that not paying attention to culture could only produce a distorted and misleading understanding of human conduct:

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<sup>14</sup> David Osborne and Peter Plastrik, Banishing Bureaucracy: The Five Strategies for Reinventing Government (New York: Addison-Wesley Publishing Company Inc.1997) p.46.

<sup>15</sup> Yueh-Ting Lee, Clark R. Mc. Cauley and Juris Draguns. “Why study Personality in culture” in Personality and Person Perception Across Cultures. (Mahwah, New Jersey: Lawrence Erlbaum Associates, Publishers, 1999) p. 5.

The most relevant human endeavour is lodged in the study of ethnic character. Disregarding this cardinal observation has induced some persons to fall victim to the absurdity of attempting to directly transplant educational, law enforcement or governmental institutions from one culture to another, without even reflecting on the possible incompatibility of intellect, affect and will of the peoples whom they want to improve by offering them a beautiful although impractical reality. It is not enough for laws to pass the test of reason in the abstract, but rather it is indispensable that they concretely adapt to the special conditions of the people for whom they were enacted. Ideas and programs to some seem very noble. However, the sad reality is so often experienced in countries of Latin extraction, where marvellous plans are designed on paper, harmonious constitutions are promulgated, yet like Plato's dreams, they crash against the harshness of practice and reality.<sup>16</sup>

It is a terrible truth that excellent projects have not prospered without more explanation that Mexican's personality. Examples that come to my mind include the failure in implementing quality circles in the "Instituto de Seguridad Social al Servicio de Trabajadores del Estado", -Mexican Institute for Social Security and Services for Public Employees-; I will talk about this case in the next sections.

Now, for Geert Hofstede symbols, heroes, rituals and values<sup>17</sup> together are the main manifestations of cultural differences. *Symbols* are words, gestures, pictures or objects that carry a particular meaning which is only recognized by those who share the culture; for example, in Mexico some "bad words" could be used also to show affection to somebody, not only to insult. This could be very confusing to foreigners working in Mexico. *Heroes* are persons (live or dead, real or imaginary) who possess characteristics valued by the members of the culture, for example for my grandparents, the ex-President Lazaro Cardenas was a hero because he nationalized the oil industry that was controlled by Americans. *Rituals* are collective activities

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<sup>16</sup> Ezequiel A. Chavez. "Ensayo sobre los rasgos distintivos de la personalidad como factor del caracter del mexicano" Revista Positivista Vol. 3. Cited in Personality and Person Perception Across Cultures. (Mahwah, New Jersey: Lawrence Erlbaum Associates, Publishers, 1999) p.104.

<sup>17</sup> Geert Hofstede. Cultures and Organizations: Software of the Mind. (Toronto: Mc.Graw-Hill Book Company, 1991) p.7-10.

considered as socially essential and they are carried out for their own sake. I would add that part of the ritual is comprised with traditions, which are easy to create and very difficult to eliminate. They could be technically superfluous, but indispensable. Here the best Mexican example is the “visit” that most Mexicans give to the Virgin of Guadalupe on December 12 in all Catholic churches nation wide. Hofstede subsumed under the term “practices” the three manifestations mentioned above.

Finally, the core of culture is formed by *Values*, which are tendencies to prefer certain states of affairs over others, “a value is a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of actions”<sup>18</sup>. Values influence our perception about good versus evil, right versus wrong, ugly versus beautiful, or normal versus abnormal. All these manifestations will be unavoidable in a work environment; consequently, those who pretend to manage must be aware of these expressions to fit in the atmosphere in order to achieve positive results.

Values are directly influenced by everyday experiences in changing ecological and socio-political context. There are hundreds of definitions of values, Smith and Schwartz made a summary of the many definitions and agreed that:

1. Values are beliefs: But they are not objective, cold ideas. Rather, when values are activated, they become infused with feeling.
2. Values refer to desirable goals and the modes of conduct that promote these goals.
3. Values transcend specific actions and situations. Obedience, for example, is relevant at work, school, in sports or in business, with family, friends of strangers.
4. Values serve as standards to guide the selection or evaluation on behaviour, people and events.

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<sup>18</sup> F.R. Kluckhoh. Variations in value orientations. (Westport, CT: Greenwood Press, 1961) p.395.

5. Values are ordered by importance relative to one another. The ordered set of values forms a system of value priorities. Cultures and individuals can be characterized by their systems of value of priorities.<sup>19</sup>

When people carry out their roles in social institutions, they draw upon cultural values to decide what behaviour is appropriate and to justify their choices to others. Cultural values also influence how organizational performance is evaluated, for instance, in terms of productivity, social responsibility, innovativeness, or support for the existing power structure.

In terms of values system, Mexico and the United States are different. Diaz-Loving and Draguns<sup>20</sup> (the first, a Mexican, working in Mexico City and the second American, working in Pennsylvania) compiled several comparative studies about discrepancies among Mexicans and Americans in order to find the core values of both cultures. Content analysis confirms the central position that the family occupies in Mexico.

Two basic principles emerged that captured the essence of Mexican family life: power and supremacy of the father and love and absolute and necessary sacrifice by the mother. In questionnaires constructed around these two cardinal premises, over 80% of large samples of the Mexican population register their approval of these assertions. Moreover, they indicated that these statements constitute the guiding principles of their lives. Interestingly, self-denial holds true for both men and women who believe that it is important to satisfy the needs of others over self. In addition, they found that Mexican society is built on a strict hierarchical structure based on "respect" toward others who are higher in the social hierarchy, especially parents and elder relatives. Status, moreover, is determined by ascription, which is the person's cumulative accomplishments.

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<sup>19</sup> Peter B. Smith and Shalom H. Schwartz. "Values" Handbook Of Cross-Cultural Psychology, Vol. 3, Second Edition. (Toronto: Allyn and Bacon, 1997) p.80.

<sup>20</sup> Ronaldo Diaz-Loving and Juris G. Draguns "Culture, Meaning and Personality in Mexico and in the United States" in Personality and Person Perception Across Cultures (London: Lawrence Erlbaum Associates, Publishers. 1999) p.103-126.

In contrast, North Americans prize the father-mother or husband-wife relationship as the core of family experience. They place emphasis upon individual rules and although love is also important for the North American family, it is comparatively less prominent than in Mexico. Moreover, Americans see themselves as independent and secure individuals outside the family.

In Mexico, friends are reciprocally bound by tight and strong affiliative ties, laden with a host of long-lasting implications. In fact, the family is a central reference point for friendship. A good friend becomes part of the family, someone to help and assist in all areas of life. Friendship has a profound and selective significance; it implies harmony, trust, commitment, and strong long-lasting obligations to a few select individuals. In the United States, friendship has a more limited impact. Basically, these relationships are focused on having fun. Friendships tend to be shorter and less intimate, built on convenience or the whims of situational determinants such as physical proximity and geographical mobility. In Mexico offices are sources of friendships that trespass its walls.

Diaz-Guerrero and Szalay<sup>21</sup> found that Mexicans are educated to achieve social goals (progress and development) with emphasis on the social and interpersonal impact of the formal and informal educational process, all of it orchestrated to develop children who conform to the moral ideas and social norms of interdependence. In the United States, education is a process of acquiring knowledge and aptitudes with practical and applicable value. The role of schools is to prepare individuals for a productive and happy life.

Once that the formal education has concluded and it is time to join to the labour force, Mexicans see jobs as a necessary obligation, a means for obtaining bare necessities, a way of earning a living. Work, which is embedded in effort, becomes an instrument for ensuring certain family, social and national goals. Work is thus a socially directed responsibility, with particular attention given to its impact on the economic progress of family and country. North Americans center their lives on the

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<sup>21</sup> R. Diaz Guerrero and L.B. Szalay. El mundo subjetivo de Mexicanos y Norteamericanos. (Mexico City: Trillas, 1993)

completion of job and work. Hard work is a virtue that gives a sense of achievement and accomplishment, a goal itself; it is the basis of personal pride, success, and satisfaction<sup>22</sup>.

Moreover, Diaz-Guerrero found that Mexicans want to avoid stress, in line with the culturally inculcated virtues of obedience, patience and self-abnegation. Americans seek to confront stress, following the inculcated value that an individual must be in constant activity. Diaz-Guerrero explicitly emphasized that of these two contrasting socio-cultural premises was neither intrinsically superior nor inferior; both come with a mixed bag of advantages and disadvantages. La Rosa and Diaz-Loving<sup>23</sup> investigated one pole of the passivity-activity factor. In this study, a peaceful, serene calm and tranquil mode of responding to stress was indeed positively valued. Its negative opposite was marked by largely aimless agitation, low frustration tolerance, and disruptive, disagreeable and aggressive interaction with other persons. This is very different from the Anglo-American notion of an active, resourceful, energetic and effective person who embodies and exemplifies the active orientation to stress.

It is important to mention that perceptions in this area are in constant evolution, for example, a recent survey mentioned in the Diaz-Loving and Dragun's essay shows that Mexicans with higher education and higher incomes tend to have "diluted" the average Mexican values. For example, parental roles are not as differentiated as we have mention and they do have more individual aspirations and ambition to achieve goals that nothing have to do with communal objectives.

The New Public Management presupposes that the factors that motivate a person are universal. McClelland and his associates concluded in the 1960's that Eastern Asians and other non-Western groups are less motivated to succeed than

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<sup>22</sup> Ibid.

<sup>23</sup> J. La Rosa and R. Diaz-Loving. "Evaluacion del autoconcepto: Una escala multidimensional". Revista Latinoamericana de Psicología. Vol. 23, Issue 1, 1991. p. 15-34.

Americans and Europeans<sup>24</sup>. McClelland's theory is based on Murray's definition of achievement as an:

Individual's desire to accomplish something hard; to master, manipulate, or organize physical objects, human beings, or ideas; to do this as rapidly and as independently as possible; to overcome obstacles and attain a high standard' to excel one's self to rival and surpass others' and to increase self-regard by the successful exercise of talent<sup>25</sup>.

To define and understand achievement motivation, one must first identify different meanings of achievement in different groups or cultures. For example, the notion of "success" or "failure" could be completely opposite from country to country. As we saw, it all depends on a culture's core values. In a cross cultural study about the causes and consequences of success among Americans, Japanese, Greeks, and Indians, Triandis<sup>26</sup> and colleagues found that the American concept of achievement tends to be more individualistic than of other cultures. For Americans, achievement motivation includes the following assumptions: People achieve goals independently, the degree of incentive value of the achievement goal is a subjective judgement and finally, people create their own standards of excellence.

I am not saying that the Mexican's motivational factors are completely contrary to the American; however, Mexicans are strongly motivated by improving the situation of the group in which they belong to; call it family, friends or city. They want to succeed, to scale hierarchies, but that is not a priority. Moreover, most Mexicans men work because it is a man's role to be a provider; women work because a single salary it is not enough to fulfil a family's necessities. However, the number of women working to achieve personal needs of success or power is increasing among them. Just as Kagitcibasi predicted, social roles are changing.

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<sup>24</sup> D.C. McClelland, J.W. Atkinson, A.C. Russel and E.L. Lowell. The Achievement Motive. (New York: Appleton-Century-Crofts, 1958)

<sup>25</sup> Ibid.

<sup>26</sup> Cited in Individualism and Collectivism edited by Uichol Kim and associates, Sage Publications 1994.



In 1980, Geert Hofstede published "*Culture's Consequences*". This book analyzes the data of a long survey<sup>27</sup>, held around 1968 and 1972 in 53 countries (included Mexico, United States and Canada) where the company IBM had branches. The study revealed four dimensions on which country cultures differ. They were labelled Power Distance, Uncertainty Avoidance, Masculinity versus Femininity and Individualism versus Collectivism. However, in the beginnings of the 1990s another study on student populations from 23 countries using a survey questionnaire designed by Chinese scholars has revealed a fifth meaningful dimension, called Confucian Dynamism. It refers to the Long-Term versus Short-Term Orientation. On the long-term side, one finds values oriented towards the future, like thrift (saving) and persistence. On the short-term side, one finds values rather oriented towards the past and present, like respect for tradition and fulfilling social obligations. Unfortunately, I could not find where Mexico, Canada and the United States were located in terms of these indicators. I can only surmise, given the characteristics of Mexican culture, that this country is located in the short-term orientation part.

In addition, Hofstede's study also introduces the idea of culture as mental programming, or what he called "software of the mind"; this is that every person carries within himself patterns of thinking feeling and potential acting, which were learned throughout their lifetime. Then, his behaviour will be partially predetermined by his mental programs, but he has a basic ability to deviate from them, and to react in ways which are new, creative, destructive or unexpected. This idea is deeply treated in "*Culture's organization's: Software of Mind*", written a few years later. Both studies have been the foundation of several documents written in Cross-Cultural Psychology, such as the ones written by Triandis, Schwartz, and Kagitcibasi.

Having said that, we will look Hofstede's four dimensions to identify the Mexican situation and compare it with Anglo Saxons countries, which are the places of origin for New Public Management techniques.

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<sup>27</sup> The survey collected over 116,000 plus personal interviews with managers participating in international management development courses and unrelated to IBM

In first place, we have *Power Distance*, which is “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally<sup>28</sup>. Power Distance describes dependence between employee-employer. In countries with small power distance there is limited dependence of subordinates on bosses, and there is a preference for consultation. In the same way, the emotional distance between them is relatively small, for example, subordinates will approach and contradict their bosses. On the contrary, in countries with large power distance, subordinates are considerably dependent their bosses.

In the study, it is showed how inferiors responded either preferring such dependence in the form of an autocratic or paternalistic boss or rejecting it entirely; of course, subordinates are unlikely to approach and contradict their bosses directly. Within this category, Mexico ranked as the second country in the scale with highest power distance index (with 81 points), just after Philippines (94 points). Translating this to Mexican workplaces it is expected that superiors and subordinates consider each other unequal, which is the basis for hierarchical systems. Hierarchical organizations will centralize power as much as possible in a few hands, and subordinates are expected to be told what to do. In a subordinate’s eyes, the boss is a father, benevolent or autocrat but a father. Obviously, after some experiences with “bad fathers” there is an automatic rejection to a boss’ authority, even if in practice employees comply. Emotions are involved in this kind of relationship, and it is common that if a scandal happens, the people in the bottom will be blamed.

On the other hand, Canada and USA scored 39 and 40 respectively. We can see a notable difference with Mexico. In those countries, subordinates and bosses are considered by themselves to be equal, and hierarchical systems are established only for convenience. They are aware that roles may be changed and today’s employee could be tomorrow’s boss or vice versa. Flat organizations are common, and salary ranges between top and bottom jobs are relatively small. Superiors are supposed to be accessible for subordinates and the ideal of a boss is that of a resourceful democrat.

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<sup>28</sup> Geert Hofstede. Cultures and Organizations: Software of the Mind. (Toronto: Mc.Graw-Hill Book Company, 1991) p.28

Subordinates expect to be consulted before important decisions that affect their jobs, but according with Hoefstede, they accept that the boss is the one who finally decides.

The second dimension is *Uncertainty Avoidance*. Hofstede “borrowed” this term from American organization sociology, in particular from the work of James G. March. This term is defined as “the extent to which the members of a culture feel threatened by uncertain or unknown situations”<sup>29</sup>. It refers to the “ways of handling uncertainty...it leads some individuals in the same situation to perceive a greater need for action for overcoming the uncertainty than others”.<sup>30</sup>Uncertainty could lead to anxiety and that is the reason why humans have created laws, religion and technology to prevent uncertainties in the behaviour of other people, or to avoid uncertainties caused by nature. Hofstede points out that the ways of dealing with the anxiety caused by uncertain varies from culture to culture; given the fact that some societies have a higher tolerance to overcome what the future will bring them. In this area, Mexico ranked in the eleventh position, with 82 points, while Canada got 42 points followed by the United States, with 43 points, showing the last two a weak Uncertainty Avoidance.

How can we interpret these findings? Well, in the first place, as I mentioned lines above, if laws and rules are whys in which a society tries to prevent uncertainties, then, in Mexico we can expect many formal laws and or informal rules controlling the rights and duties of employers and employees. Moreover, there are many internal rules and regulations controlling whatever the work process are which gives little room for discretionary decisions. Subsequently, what is new or different is dangerous. Initiative can be punished instead of commended. In my opinion, Hofstede’s findings could not be truer. The number of laws and regulations that a Mexican law student has to revise is incredible, including the frequent amendments to prevent a new situation. In addition, a workplace environment is full of formal and

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<sup>29</sup> Ibid p. 113.

<sup>30</sup> Geert Hofstede. Culture’s Consequences. (London: Sage Publications, 1980) p.161.

informal rules that are intended to cover any possible situation. These circumstances can be ridiculous. What comes to my mind is the extremely complex taxation system that Mexico has, where from the very beginning of a commercial or professional activity until the end of it, it is virtually impossible not to commit a violation in some of the several laws that intent to “make easy” a tax payment. Contrarily, in countries with weak uncertainty avoidance there rather seems to be an emotional horror for formal rules, or at least, rules are established just when is necessary. These countries can be comfortable in ambiguous situations and with unfamiliar risks: what is different is curious, not a threat. Since there are not many regulations, discretion has to be used. For example, there is not law that regulates the rights and duties of a Canadian councillor in the municipality of London; there is only an ethic code of conduct. Hofstede mentioned that in countries with weak Uncertainty Avoidance such as Canada or the USA, citizens believe that they can participate in political decisions, and they are prepared to protest against government decisions. They do not think the government should repress protests. He finalizes this section with this statement: “The paradox is that although rules in countries with weak uncertainty avoidance are less sacred, they are generally more respected”<sup>31</sup>. Certainly, Mexicans are experts avoiding to fulfil laws.

The third dimension is *Masculinity versus Femininity*: “Masculinity and femininity refer to the dominant sex role pattern in the vast majority of both traditional and modern societies: that of a male assertiveness and female nurturance”<sup>32</sup>. These terms do not refer only of fundamental traits of personality, but learned styles of interpersonal interactions. It has to deal also with what some societies classify as what is considered “socially correct” for women and men. In this scale, Mexico obtained the sixth place, USA the fifteenth and Canada the twenty-fourth. None of them was

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<sup>31</sup> Geert Hofstede. Cultures and Organizations: Software of the Mind. (Toronto: Mc.Graw-Hill Book Company, 1991) p. 121.

<sup>32</sup> Geert Hofstede. Culture's Consequences. (London: Sage Publications, 1980) p. 277

recognized by their “femininity”, however, the level of “machismo” in Mexico is definitively higher. Hofstede mentions some characteristic of masculine cultures:

In a masculine society, the ethos tends more toward ‘live in order to work’ whereas in a feminine society the work ethos would rather be ‘work in order to live’...The family in a masculine society socializes children towards assertiveness, ambition and competition; organizations in masculine societies stress results, and want to reward employees on the basis of equity, i.e., to everyone according to performance. The family within a feminine society socialize children towards modesty and solidarity and organizations in such societies are more likely to reward people on the basis of equality, i.e. to everyone according to need<sup>33</sup>.

This paragraph called strongly my attention because as we have seen in the first part of this document and as we will see in further, Mexican families encourage solidarity and cooperation; ambition and competition do not figure prominently in Mexicans education. Moreover, for Mexicans, work is a means, not an end. Is there an explanation for finding this opposite tendencies in a single country? Well, if it is, I could not find it. It could be a manifestation of the contradiction that characterized Mexicans, the one that I talked about in the first part of this thesis. I am not denying the machismo in Mexico. It is a fact that the machismo is present in workplaces (more male than female managers, etc) and in the years that Hofstede gathered the data published in “*Culture’s consequences*” the phenomenon was stronger than now.

Finally, the last dimension, *Individualism versus Collectivism* has been extensively studied, but let me start at the beginning. Hofstede defines individualism and collectivism as follows:

Individualism pertains to societies in which the ties between individuals are loose; everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime

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<sup>33</sup> Geert Hofstede. Cultures and Organizations: Software of the Mind. (Toronto: Mc.Graw-Hill Book Company, 1991) p.93

continue to protect them in exchange for unquestioning loyalty<sup>34</sup>.

In the same path, Cigdem Kagitcibasi<sup>35</sup> conceptualizes individualism and collectivism as a “Culture of Relatedness” referring to the family culture and interpersonal relational patterns characterized by dependent-interdependent relations with overlapping personal boundaries. On the other hand, she talks about a “Culture of Separateness” reflecting the opposite pattern of independent interpersonal relations, with separated and well-defined personal boundaries.

Moreover, at the cultural level, Triandis have identified four dimensions that relate to Individualism and Collectivism. He found two dimensions, “family integrity” and “interdependence with sociability” to be important aspects of collectivism. For individualism, the dimension of “separation from in-groups” and “self-reliance with hedonism” emerged as important elements. Subsequent research has replicated Hofstede’s results. The same author has said that individualist societies quickly learn the meaning of “I”, and I would add “me”, and “myself”. On the other hand, in collectivist societies the words “we” and “they” are easily understood, someone is part of a group or several groups, a “we” where outsiders are “they”. In most collectivist cultures the meaning of family denote what anthropology knows as “extended families”<sup>36</sup>, which includes not only parents and children, but also grandparents, aunts, uncles, nephews and so on. Starting with the family and continuing with other in-groups, a protection in exchange for loyalty is expected. Identity is based on the social network to which one belongs.

Power Distance is strongly related with Individualism versus Collectivism. The study showed large power distance countries are likely to be more collectivist, and small power distance countries to be more individualist. It seems that in cultures in which people are dependent on intergroups, these people are usually also dependent

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<sup>34</sup> Geert Hofstede. Culture’s Consequences. (London: Sage Publications, 1980) p. 50

<sup>35</sup> Cigdem Kagitcibasi, “A Critical Appraisal of Individualism and Collectivism” in Individualism and Collectivism (London: Sage Publications, 1994) p.62.

<sup>36</sup> Geert Hofstede. Cultures and Organizations: Software of the Mind. (Toronto: Mc.Graw-Hill Book Company, 1991) p.50

on power figures. In the Individualism index, the United States obtained the first place; Canada was tied with Netherlands in the fourth position while Mexico got the thirty-second place out of 53. Even though other Latin America countries scored higher in collectivism, the difference among USA, Canada and Mexico is still significant.

In the workplace, an “individualist employee” is expected to act according with their own interest, and work should be organized in a way that this self-interest and the employer’s interest coincide. Since there are not affective links, or those that do exist are weak, subordinates can usually be moved around individually. If incentives or bonuses are given, these should be linked to an individual’s performance. An employer-employee relationship is a contract supposed to be based on mutual advantage; in the same way, hiring and promotion decisions are supposed to be based on skills and rules only. In the workplace, “collectivist employees” are usually hired depending their group of reference, and usually preference is given to hiring relatives, first of all of the employer, but also of other persons already employed by the company. For example, we can expect that all the Lopez, or Perez, or Garcias in an office, are relatives. That reduces the risk of outsiders; thus, management is management of groups, no individuals. The relationship between manager-subordinate resembles a family relationship, with mutual obligations of protection in exchange of loyalty. This could be a potential problem in case of low performance: one does not dismiss one’s child. Again, emotions and feelings are involved in this type of liaison; everything becomes something “personal”. The fundamental assumption in collectivist societies is the “relatedness” whereas in individualist countries is the “rationality, the reason”.

Without denying the importance of Hofstede’s research, it is a fact that societies today are not the same as the ones that lived more than 30 years ago, when the IBM study was made. Basic values may not change, however, as we can observe certain patterns of behaviour that we could not have had in the 1970’s because several factors (historical and technological) have happened in the last thirty years.

One of these changes in Mexico has been the tendency from collectivism towards individualism. According with Kagitcibasi, Mexico has not traveled alone: most countries have experienced a similar change. In a very interesting essay titled “Individualism and Collectivism”,<sup>37</sup> she proposes a model of family change based on the dual common human needs for autonomy (individualism) and communion (collectivism). Here is a recognition of the coexistence of these two basic conflictual needs. Kagitcibasi differentiated three types of families: X, the collectivist model based on communion and total interdependence; Z, the individualistic model based on independence and Y, a synthesis of the two. Furthermore, relatedness is conceptualized along two dimensions, material and emotional. The individualist model of relatedness (Z) involves independence along both dimensions, the collectivist model (X) involves interdependence along both, and the synthetic model (Y) involves independence along the material and interdependence along the emotional dimensions. Kagitcibasi has predicted that families –then societies, will change toward model Y, given the fact that parents and educators cheer both, paternal control and encourage of independence and emphasis on achievement.

In order to obtain “first hand” information I got in touch with a senior manager<sup>38</sup> of a multinational company based in my city home, San Luis Potosi, Mexico. He has been living in Mexico almost three years and I asked him his impression about working with Mexicans.

I have been a manager here in MX for approximately 2 years. I have found that the people of MX in general are very *hard working* individuals and like most people *as you get to know them more and more you can become more effective*. I have found that initially my group *respected me because of my position*. As they got to know me and how I could help them I was able to be more effective. In order to accomplish things in MX as well as anywhere else you must have *trust*. I as my staff and organization came to *know and trust* me more we were able to get more accomplished as a *team*. A big part of getting trust is being able to effectively *communicate with*

<sup>37</sup> For more details, see the Handbook of Cross-Cultural Psychology. Vol. 3, Second Edition, 1997.

<sup>38</sup> Electronic interview with Mr. Gary Johnson, Senior Manager of Cummins May 30, 2003.



*people. For my team this was fairly easy. All of my direct reports spoke English very well. I found that as I tried to go deeper and deeper within my organization I had a great deal of trouble communicating with them. As I took classes to learn and understand, more and more Spanish I was able to communicate deeper in my organization. This year I became a Business Unit Sponsor and have full product line responsibility. With this role came the responsibility to interact more and more at all levels. We had a slow start but as people learned how I could help resolve their issues to facilitate their work they began to come to me more and more for help. With this, they have been able to achieve many of their business goals. They work very hard and they see the benefit of their work. As with any organization, you will find that you have to work with some people more than others. I have a few of those too but all in all it has been a very rewarding experience.*

Called my attention some factors in his experience: The first one is how the personal relationship between this manager and his staff helped him to improve efficiency in the workplace. As we can see, emotions, feelings productivity and efficacy are blended in Mexico. The second fact is how a two-ways trust relationship helped to achieve more team's goals. Finally, we can see how it was key to learn and understand Spanish, which is the gate to understanding the national culture. Reading those lines, one can see that Hofstede's dimensions are still alive.

I have mentioned before that management techniques and training packages have almost exclusively been developed in individualist countries, especially in the United States, and they are based on cultural assumptions that may not hold in collectivist countries. Moreover, despite the fact that Canada scored very similarly to the USA in the four Hofstede's dimensions that does not mean that what worked in the States will work in Canada. Now, if those differences are bigger, such as in the Mexican case, it is logical to expect a higher possibility of failure. In his article, "Cultural Constraints in management theories"<sup>39</sup> Hofstede makes a very interesting

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<sup>39</sup> Geert Hofstede "Cultural Constraints in Management Theories" The Executive Vol.7 Issue 1, Feb. 1993 p. 81-94.

study about the perception that some countries have towards the words “manage”, “management” and “manager”. For example, contrary to Americans, in Germany the manager is not a cultural hero, it is the engineer who fill the hero role. Germans expect their boss to assign their task and to be an expert in resolving technical problems. In Japan, the American type of manager is also missing, the core of the Japanese enterprise is the permanent worker group; workers are controlled by their peer group rather than by a manager. In Holland, leadership presupposes modesty; the management principle needs to be built on consensus among all parties, as opposite to assertiveness in the United States. In relation to poor countries (which includes Latin America and Africa) the manager substitutes the paternal figure that has to protect and correct when necessary the son’s and daughter’s mistakes.

We can review a summary of the ideas mentioned lines above in Table I, “Comparative Culture Dimensions”.

*Table One. “Comparative Culture Dimensions”*

<b>Dimension</b>	<b>Mexico</b>	<b>Canada</b>	<b>United States of America</b>
Power Distance	High	Low	Low
Uncertainty Avoidance	Strong	Weak	Weak
Masculinity versus Femininity	High Masculinity	Medium Masculinity	Medium Masculinity
Individualism versus Collectivism	High Collectivism	High Individualism	High Individualism

Mexico, Canada and USA have evolved in different geographical, social, economic, political and cultural circumstances. Their respective socio-cultural ecosystems have shaped the characteristics, beliefs, attitudes, values and behaviours

of the individuals and groups that compose those societies. Cross-cultural and ethno-psychological research has shown the aversive consequences of cultural distance and culture shock. However, intercultural and interpersonal relationships can be enhanced through adequate preparation. Reduction in social distance is possible to achieve by means of techniques that allow individuals to culturally adjust and cope with the new culture: learning the necessary skills to have creative, amiable and constructive encounters. Triandis recommend empathy, interest in the host culture, openness to different points of view, readiness to socialize, and critical attitude toward stereotypes. In the specific context of the Mexican culture, the recommendations would include to recognizing the central role of family, amiability, courteousness, happiness, respect, serenity and the self-modifying or autoplasic coping style prevalent in the culture. However, the most important component requires immersing oneself as much as possible in Mexican culture.

Finally, I would like to conclude this part of my research with a phrase written by Geert Hoestede:

The export of Western-mostly American management practices and theories to poor countries has contributed little to nothing to their development...assuming that with so-called modern management techniques and theories outsiders can develop a country has proven a deplorable arrogance. I am not offering a solution; I only protest against a naïve universalism that knows only one recipe for development, the one supposed to have worked in the United States.<sup>40</sup>

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<sup>40</sup> Ibid.

### Part III- The New Public Management

Public activity in Local Government is characterized by the closeness that officials have with citizens: Citizens want their garbage collected, services working, etc. In other words, citizens want responsiveness. Therefore, an efficient government is always needed. However, the concept of “governmental efficiency” has changed over the years and from place to place; for example, what is needed in Canada, may not be necessary in Mexico. Let us go from the general to the particular collecting what some scholars have told about the state.

In the nineteenth century, Karl Marx stated that the state in capitalist societies does not represent the general interest but rather the interests of the dominant ruling class. He regarded the state as “Nothing more than the form of organization which the bourgeois necessarily adopt... for the mutual guarantee of their property and interests”<sup>41</sup>. Thus, the bureaucratic machine is only the instrument that the dominant class uses to exercise its power over other social classes, one of the forms for perpetuating class division and consolidating the power of the prevailing ones. Consequently, when bureaucracy increases the state becomes more oppressive and it causes an intensification of the class struggle.

Years later, Robert Michels formulated his famous “iron law of oligarchy”. According to this law, large-scale organizations are necessarily oligarchies because they tend to develop a bureaucratic structure that precludes internal democracy. In Michels’ words, those who say organization, say oligarchy. Power becomes concentrated at the top of the organization and is wielded in a dictatorial manner by organization elite.

However, the most important theorist on this theme was Max Weber. The German sociologist considered bureaucracy to be the most rational and efficient form of organization yet devised by man. In his “Essays in Sociology” Weber said that:

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<sup>41</sup> Quoted by Kenneth Kernaghan and David Siegel in Public Administration in Canada. Fourth Edition (Toronto: ITP Nelson, 2002) p. 28

The decisive reason for the advance of bureaucratic organization has always been its purely technical superiority over any other form of organization. The fully developed bureaucratic mechanism compares with other organizations exactly as does the machine with the non-mechanical modes of production... Precision, speed, unambiguity, knowledge of the files, continuity, discretion, unity, strict subordination, reduction of friction and of material and personal cost—these are raised to the optimum point in the strictly bureaucratic administration, and especially in its monocratic form<sup>42</sup>.

Weber identified the main characteristics of bureaucracy: In the first place, there is the principle of fixed and official jurisdictional areas which are generally ordered by rules that is by laws or administrative regulations. A hierarchy or levels of graded authority in which there is a supervision of the lower offices by the higher ones strengthen this legal framework. Such a system offers the governed the possibility of appealing the decision of a lower office to its higher authority in an organized manner. Therefore, it is indispensable to have every single file in a written form, preserved in a way that public officers could consult it. Consequently, office management presupposes expert training and a separation of the civil service and the private life. When the office is fully developed, official activity demands the full working capacity of the official, irrespective of the fact that his obligatory time in the bureau may be firmly delimited. Finally, management must follow general rules, which are more or less stable, more or less exhaustive and which can be learned.

Weber placed especial attention to the position of the public employee within his ideal type of bureaucracy. Under his lens, office holding is a vocation that demands the capacity to work for a long period; it is a duty. This loyalty is devoted to impersonal and functional purposes. The official is appointed by a superior authority, thus, an official elected by the governed is not a purely bureaucratic figure because this practice modifies the strictness of hierarchical subordination and in principle, an elected official has an autonomous position opposite the super ordinate official. Normally, the position of the official is held for life; this means that his placement

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<sup>42</sup> Custom Course Reader Package for Theories of Public Administration (PA 916A), September 2002.

will be guaranteed against arbitrary removals from his office. Obviously, during his working-life, the official receives a regular pecuniary compensation of a normally fixed salary and he is set for a “career” within the hierarchical order of the public service. In addition, the bureaucrat will enjoy security in his or her old age through a pension.

Despite his general admiration for bureaucracy, Weber was aware of its flaws. He pointed out that as an organizational form, bureaucracy subjects the individual to an oppressive routine, limits individual freedom and favours the “crippled personality” of the specialist. Therefore, “Democracy inevitably comes into conflict with the bureaucratic tendencies which, by its fight against notable rule, democracy has produced”<sup>43</sup>.

The Weberian model reached high popularity among states because it seemed to be the most effective way to organize government. Coincidentally by the death of Weber, in 1920, Mexico was about to enter a new era: the Revolutionary state. Once that the dictator Porfirio Diaz was forced to leave the country it was necessary to reform the state so that it could reach the democratic objectives that the Revolution pursued. From Francisco I. Madero (1921) to Lazaro Cardenas and Adolfo Ruiz Cortines (1968) the ideas presented by Weber helped to organize the aggrieved political environment in Mexico. The division in three levels of government –Federal, State and Municipal- stressed a hierarchy in which Local Governments occupied the last level, therefore, little importance and resources were dedicated to this important sector. The uncountable regulations strengthened this structure, and reviewing laws in the subject, we can observe how, by mandate, power is concentrated in bureaucrats at the top of the pyramid. Tasks are assigned according with the position that an official occupies within the hierarchy, with no room to act outside the bureaucrat’s “box”. The Weberian structure is still used by most local governments in Mexico (For more detail, consult Appendix One, “Mexican Municipalities”). In fact, countrywide,

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<sup>43</sup> Ibid, p. 202

governmental offices do not know another way of operation but a system based on hierarchies that, as we have seen, fit with the cultural beliefs of Mexicans.

However, during the last ten years, there have been voices within and outside public offices that urged for change and proposed a different way of operating governmental services, to increase responsiveness to citizens and lessen their complains. Moreover, the slow but eminent cultural process that has caused Mexicans to increase their individualism, looking for a meaning in their work, and contributing to the country's development. Therefore, some local governments, such as the ones located in the State of Guanajuato, have introduced new techniques of management, including teams or websites where the residents can access or pay for services. These governments have started to move their way of running a city away from Weber's model.

The general criticism of Weber's work is that he dwelt too much on the structural aspects of bureaucracy and not enough on the human side of the organization. It has been suggested that he overstated the impact of the organization on the worker and overlooked the impact of the worker on the organization. Moreover, the traditional bureaucratic model has been described as "lethargic, cautious, unresponsive, a creature of routine and incapable of accepting new challenges"<sup>44</sup>. In addition, traditional bureaucratic organizations have been less flexible and more control-oriented; therefore, human resources and peoples' skills are not fully used. Consequently, innovative ideas are diluted preventing creativity.

Based in this criticism and supported by what seemed to be a failure in the efficacy of government, in the 1960's and 1970's a new generation of Americans engaged in public affairs developed and applied a range of tools, including systems analysis, policy analysis, program budgeting, and program evaluation, to improve the results of government. They introduced concepts such as customers, service, quality, value, flexibility, innovation, empowerment and continuous improvement. Years later,

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<sup>44</sup> Mohamed Chahir and Arthur Daniel, New Public Management and Public Administration in Canada. (Quebec: The Institute of Public Administration of Canada, 1997) p, 29

this assemblage of ideas and practices would take the name of New Public Management.

It is extremely difficult to find a definition of this concept, Scholars have agreed in a group of practices that compromise the core element of it, but they do not provide us with a strict definition. The broader picture of the New Public Management movement can be categorized as:

A normative re-conceptualization of public administration in which concepts such as high quality services, increased autonomy, performance management, informal coordination and innovation emerge in the changing organization<sup>45</sup>

Furthermore, the culture brought in with New Public Management perspective is most often associated with the private sector. Ideas such as contracting out, flexibility, empowerment and smaller and more efficient organizations are the cornerstones of the New Public Management culture. However, it is highly questionable whether the private sector model is appropriated to run a government; but we will discuss this further.

Reviewing the New Public Management literature, one can identify two sets of thoughts: The first one is characterized by an emphasis on greater efficiency, decentralization forms and privatization<sup>46</sup>. Some activities associated with this reform include contracting out, improved financial management and pay for performance. The second reform emphasizes expanded employee participation or empowerment and deeper communication within different levels of the organization. Some practices associated with this second approach are the use of teams, reward systems to celebrate recognition and the involvement of stakeholders in the decision making process. Both reforms have been emphasized in the New Public Management; nevertheless, such different visions could be, in my opinion, under conflict: In one hand, workers have the pressure of being productive, while in the other, they are

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<sup>45</sup>Ibid, p 28

<sup>46</sup> Guy Peters and Donald Savoie *Governance in a Changing Environment*. (Montreal: Canadian Centre for Management Development, Mc. Gill-Queen's University Press, 1993), p. 239



asked to pay careful attention to the citizen. Otherwise, they are asked to compete against other departments –and the private sector- but are also asked for a commitment to the entire vision of the organization. Alternatively, works are rewarded for personal achievement, but being part of a team; therefore, a member has to do whatever to be the best in his own team.

The two streams agreed that one of the pioneers in this area was Peter Drucker. I would say his theories preceded any stream, and coincidentally both of them have founded their ideas in Durker's writings. He reported in 1968 the four "discontinuities" that would affect the end of that decade and would shape the next years, such as new technologies, global economy, political change in the matrix of society and economic life, and knowledge, which he considered "the central capital and the crucial resource of the economy"<sup>47</sup>. Drucker deemed that these factors would determine the development of all organizations, public or private. In fact, he dedicated a chapter in *The Age of Discontinuity* to talk about what he called the "sickness" of government and the disenchantment that citizens had started to feel towards public institutions. Part of this disappointment has to deal, according with Drucker, with the fact that the public was expecting miracles that the welfare state could not fulfilled. Therefore, Drucker manifested the necessity of innovative organizations capable of anticipating the new, converting their vision into technology and being willing and able to accept the new challenges. In addition, he pointed out:

Even more important is that an innovative organization requires a different structure of relationship between people. It requires a team organization rather than a command organization, and it requires flexibility in relationships. Yet there has to be discipline, there has to be authority, and there has to be someone who can make decisions.<sup>48</sup>

He also introduced the idea that government must be problem-oriented and dedicate its resources to solve its conflicts; in addition, he mentioned that a government must not subordinate its will to the priorities of economic development;

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<sup>47</sup> Peter Drucker *The Age of Discontinuity*. (New York: Harper and Row, Publishers, 1968). p. xi.

<sup>48</sup> *Ibid*, p. 55

however, the main task must be “making the poor productive”<sup>49</sup>. In order to achieve this objective, it is necessary much more to development than economics. There are cultural and social institutions:

It is still fashionable, especially among academicians, to believe that development requires that destruction of traditional society. If so, development cannot happen -or only through bloody and disastrous convulsions. To be sure, development will change a society and its traditions. But at the same time be based on existing social and cultural institutions and on existing values<sup>50</sup>.

My attention was called to the last part of this paragraph because Durker does admit that a real organizational change must be based on pre-existing culture and values, therefore, managerial techniques would acquire different hues depending the place where they are intended to work. Having said that, I would like to analyze any of those two set of thoughts that the New Public Management presents.

As we have mentioned, the first set of ideas advocate for a business-like way of running a government; the “bible” of the first steam of thoughts is the book “*Reinventing Government*”, written in 1991 by David Osborne and Ted Gaebler. Both Americans, both private consultants and the second one former city manager in California and Ohio. Strongly influenced by “*The Age of Discontinuity*” the authors purposed ten principles to transform the public sector. Each principle is illustrated by a successful local government story where a creative manager came up with a never seen alternative that revolutionized his/her city.

Moreover, borrowing the concept “entrepreneur” shaped by the French economist J.B. Say, Osborne and Gaebler brought the concept “Entrepreneurial Government”, this is:

Governments that promote *competition* between service providers. They *empower citizens* by pushing control out of the bureaucracy, into the community. They measure the performance of their agencies, focusing not on inputs, but on outcomes. They are driven by their goals –their *missions*-

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<sup>49</sup> Ibid, p. 112

<sup>50</sup> Ibid, p. 132 italics added.

not by their rules and regulations. They redefine their clients as *customers*, and offer them choices...They *prevent* problems before they emerge, rather than simply offering services afterward. They put their energies into *earning* money, not simply spending it. They *decentralize* authority, embracing participatory management. They prefer *market* mechanism to bureaucratic mechanisms. And they focus not simply on providing public services, but on *catalyzing* all sectors –public, private, and voluntary- into action to solve their community’s problems.<sup>51</sup>

The authors affirmed that their ten principles are fundamentally designed to create an entrepreneurial form of governing; to create “a new modern of governance”. What are those principles? Well, let us examine them:

1. Catalytic Government –Steering rather than Rowing: This means that governments must separate their policy and regulatory functions (steering) from the service-delivery and compliance functions (rowing). They may use several methods, such as contracts, grants, etc. or choose the method that best meets their needs of effectiveness, accountability and flexibility. Thus, governments set a policy, deliver funds to operational bodies (public or private) and evaluate performance, but they seldom play an operational role themselves.
2. Community-Owned Government –Empowering rather than Serving: Community owned governments push control of service not of the bureaucracy to the community. By funding and empowering communities, the writers expect to reduce dependency and generate commitment and more creative problem solving. In the book, Osborne and Gaebler recognize that nobody can force the community to take leadership. I am glad the authors mentioned this, because according to a survey published in the Mexican newspaper “Reforma” 85% of the targeted population admit to not being part of any kind of organization, and 82% of the participants accepted never have been involved, formally or informally in solving any of their community’s

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<sup>51</sup> Davide Osborne and Ted Gaebler Reinventing Government. (New York: Plume, 1992) p. 19-20.

problems<sup>52</sup>. Obviously, the work in Mexico to apply this principle would require a lot of time and patience. However, I would not say, despite the cruel reality of numbers, that Mexicans do not care about governmental decisions; instead, they got used to no one making those decisions for more than 60 years of PRI-Government. Suddenly asking for participation and giving them a role could be a complete failure. It is necessary to put in place a strong educative process in order to awake citizens and made them understand that it is not enough complain about a governmental decision. It is necessary to take a role in the decision making process.

3. Competitive Government –Injecting Competition into Service Delivery: According to the authors, competition is the fundamental force that gives public organization not choice but to improve. They strongly encourage competition among public agencies in order to “build morale and creativity”. In this point they present a very American vision that presupposes that pushing to “win” the first place in a contest would result in raising workers’ low morale , making them more imaginative, therefore, more efficient. Nevertheless, we have seen that motivational factors vary among cultures, and in the Mexican case, to occupy the first position may not necessarily raise morale and bring creativity in workplaces. I would say that it would have the opposite effect; instead, values such as cooperation and a desire to ensure welfare for every member in the “family-bureau” would achieve not only productivity, but also satisfaction and inventiveness.
4. Mission Driven Government –Transforming rule driven organizations: Mission driven governments deregulate internally, eliminating many of their internal rules and simplifying their administrative systems. They require each agency to clarify its mission, then free managers to find the best way to accomplish that mission, within legal bounds. Certainly, in countries with weak uncertainty avoidance, like the United States, the possibility of

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<sup>52</sup> See [www.reforma.com.mx](http://www.reforma.com.mx) , June 10, 2003. “Reforma” is one of the most reliable newspapers in the country and it is been characterized by its impartiality.

minimized rules and organizations defined by a mission is not only possible but also necessary; however, in countries with complicated legal frameworks, like Mexico, a mission-driven government may be not so simple. I do believe that a mission shapes an organization and unfortunately, most of Mexican governments do not have one. They are lost among laws and the introduction of missions could bring some confusion –it is not a regulation, nor a mandate. Again, an adequate educative process would be indispensable.

5. **Result Oriented Government –Funding Outcomes, not Inputs:** Result-Oriented governments shift accountability from inputs to outcomes or results. They measure the performance of public agencies, set targets, reward agencies that hit or exceed their goals. That type of government do not reward based on the longevity of their members or the size of budget and the staff they manage, or their level of authority, which is the usual rewarding system in Mexico.
6. **Customer Driven Government – Meeting the needs of the customer, not the bureaucracy:** Osborne and Gaebler insist in exchanging the term “citizen” for “customer”. They do not give us a specific reason for the change, but we can observe that they assume that the term customer/client would better equip governments to carry out their duties. The authors insist in the necessity of identifying who the clients of an office are and how they need to be better served. This information can be obtained by using surveys, focus groups, setting standards and offering guarantees. They also talked about the “Total Quality Method” and “Managing for Performance” as systems designed to improve the service to “clients”. Now, the change of denomination has been highly criticized by scholars like Mintzberg, arguing that a citizen is much more than a client. Moreover, a client typically has the option of changing from one company to another if the quality or the price of a given product or service does not satisfy him. This situation does not typically occur in government, where by virtue of their nature some services have not alternative

provider. For example, given their importance, Police forces and National defence are services exclusively provided by the state. In addition, citizens have the right to expect quality services since their taxes are paying not only for the product itself, but also for the huge bureaucratic machine that manufactures it. I agree with this vision, especially if the legal framework and historic factors are as the ones present in Mexico, where there is a little, very little room for public-private partnerships

7. **Enterprising Government –Earning rather than Spending:** Enterprising governments concentrate their energies on earning money, with tools such as user fees, enterprise funds, shared earnings, etc. These kinds of governments adopt private sector practices or create an environment to run the government like a business, with due dates, bottom lines, and so on. Osborne and Gaebler advocate this method as one of the most important solutions for an efficient government. Moreover, a big percentage of the stories mentioned in the book have to deal with financial and enterprising practices that helped local governments in the United States. They emphasize that the enterprising government must be supported by all the practices derived from the other nine principles of *“Reinventing government”*.
8. **Anticipatory Government –Prevention rather than Cure:** Using strategic planning and future visioning entrepreneurial governments prevent rather than correct; this includes redesigning budget systems and accounting systems.
9. **Decentralized Government –From hierarchy to participatory Teamwork:** The authors insist in pushing authority down through the organization, encouraging those who deal directly with customers to make more of their own decisions –this is empower front line bureaucrats. They talk about empowering by flattening organizational hierarchies, using teams and creating labour-management partnerships. In addition, Osborne and Gaebler are strong opponents of the middle managers, as this position is considered unnecessarily in the governmental chain. Moreover, they point out that middle

managers are the first obstacle to changing government; therefore, they must be eliminated. At the same time, the writers talk about the necessity of investing in the employee. This means paying the employees well and working to improve the physical quality of their work places. One might think that this approach advocates teamwork in order to strengthen a cooperation and participatory democracy; however, in terms of making a difference with the principle of Community-owned government, democracy does not have anything to do with this, rather, Osborne and Gaebler state that the end goal is increased productivity and efficiency. Osborne and Plastrik in *"Banishing Bureaucracy"* go further, dedicating a page in the book to make clear that governments should "design employee empowerment to foster effectiveness, not democracy"<sup>53</sup> and they add that still a hierarchy is needed to make key decisions. I have mentioned before the little participation that the ordinary Mexican has had in government's issues. Well, the same case applies to those who are in the bottom of the bureaucratic pyramid. This situation in a free and democratic country should be no longer tolerated. It is a contradiction. However, I question the objective stated in *"Reinventing Government"* and *"Banishing Bureaucracy"*: productivity. Certainly, it is a consequence of empowering employees, but it must not be an end by itself. That would be the equivalent of reducing employees to the level of objects.

10. Market Oriented Government –Leveraging change through Market: Entrepreneurial governments often restructure private markets to solve problems rather than using administrative mechanisms. They create financial incentives that drive private organizations and individuals to behave in ways that solve societal problems. It is important to mention that even Osborne and Gaebler and later Osborne and Plastrik insist that a government cannot be run as a business, however they argue that there are a number of similarities that could be applied.

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<sup>53</sup> David Osborne and Peter Plastrik, *Banishing Bureaucracy* (New York: Addison-Wesley Publishing Company Inc. 1997) p.227

Since the publication of *“Reinventing government”*, several scholars such as Guy Peters, Mohamed Chahir, Christopher Politt and Michael Barzelay have built on the ten principles presented above. Even the same Osborne went further in collaboration with Plastrik in *“Banishing bureaucracy”* presenting the “five strategies for reinventing government”<sup>54</sup>.

Mohamed Chahir and Arthur Daniels present the new public management by comparing it to traditional public administration:

The new public management emphasizes empowerment and entrepreneurship and it insists on fostering an organizational culture akin to that of the private sector...the emphasis is on individual needs, reducing public monopolies and on promoting competition within the public sector<sup>55</sup>.

In addition, these scholars believed that strategic planning must set the new direction for public managers, understanding strategic planning as “the process of examining the organization’s current situation and future trajectory, setting goals, developing a strategy to achieve those goals and measuring the results”<sup>56</sup>.

Having defined the strategic objectives of the organization, Barzelay reiterates the ideas presented by Osborne and Gaebler supporting the concept of a customer driven service in public organization in order to define and solve problems. This reform presented by Barzelay involves “thinking in terms of customers and service which helps public managers and overseers articulate their concerns about the performance of government operations for which they are accountable”<sup>57</sup>. Barzelay refers to the new bureaucracy with terms such as “customers”, “service”, “innovation”, “empowerment” and “flexibility”. Moreover, Christopher Politt refers

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<sup>54</sup> Ibid, p.21 The strategies purposed are The Core Strategy –creating clarity of purpose, the Consequence strategy – creating consequences for performance, the Customer Strategy –Putting the customer in the Driver’s seat, The Control Strategy –Shifting control away from the top and centre and the Culture strategy –creating an entrepreneurial culture.

<sup>55</sup> Mohamed Chahir and Arthur Daniel, New Public Management and Public Administration in Canada, (Quebec: The Institute of Public Administration of Canada, 1997), 19

<sup>56</sup> Owen Hughes, Public Management and Administration, (New York: St. Martin’s Press Inc. 1998), 155

<sup>57</sup> Michael Barzelay, Breaking Through Bureaucracy, (Los Angeles: University of California Press Ltd., 1992), 6



to a new emerging public sector known as “managerialism”<sup>58</sup>; this reorganization looks at tools such as the empowerment of staff, the emphasis on quality and the thrust towards the economy and the efficiency of public organizations. Finally, the emphasis of public managers in the new public organization must also be focus on personnel: “the principle goal of reform is to empower public employees, create autonomous and effective public managers and make government a more attractive employer”<sup>59</sup>. The empowerment of employees according to Peters would provide effective government because it would reduce the power of the civil service.

All of the above scholars have a strong conviction that a more innovative-entrepreneurial structure could provide better services to the public at lower costs as well as better morale among bureaucrats due to competition and empowerment.

I have mentioned before that there is a second group of scholars that do not agree completely with the ideas presented by Osborne and Gaebler and their followers, we can mention among them Stewart, Ranson, Denhardt and Rancy. These academics agree that a profound reform in the bureaucratic model is necessary, however they have said that the New Public Management presented as “*Reinventing Government*” has oversimplified the public will. This has meant that many activities of public bodies are implicitly defined as outside the concern of management: protest, politics, public accountability, citizenship, party conflict, elections, public debate, civil rights, just to mention a few. Such events and processes are even perceived as interferences. The obliteration of significant issues leaves the management of public organizations bereft of concepts that are indispensable to its adequate analysis.

The first strong critique has been about changing the word “citizen” to “client”. According with Stewart and Ranson the use of the language of consumerism is inadequate because

The language of consumerism cannot encompass the scope of public action...There are limits to the extent to which

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<sup>58</sup> Christopher Politt, *Taking Stock Assessing Public Sector Reforms*, Edited by Guy Peters and Donald Savoie, (Montreal & Kingston: McGill-Queen’s University Press, 1998), 48

<sup>59</sup> Guy Peters, *Taking Stock Assessing Public Reforms*, Edited by Guy Peters and Donald Savoie. 89

public services can regard those affected by the service as customers whose wishes are to be met. Public organizations have the distinctive task of exercising the powers of the state. Sometimes they have to order, inspect and control; it is not helpful to treat as customers those who are required to take action by a public organization...In the public domain, public purposes have to be realised which may not conform to the wishes of individual members of the public. Public purposes can set limits to responsiveness to the customer.<sup>60</sup>

In the same line, Denhardt adds that sometimes it is complicated to define who a government's customer is, and when one can finally identify them, it is easy to realize that some customers have greater resources and greater skill in bringing their demands forward. He asks, "Does that fact justify their being treated any different? Moreover, many public services are designed to have a collective benefit."<sup>61</sup> Assertively Denhardt includes in his critique that the consumer of business products or services is rarely the producer of those goods or services; yet, in the public sector the customer of any government service is almost always at the same time the citizen – in a sense, the boss. As a citizen, the individual has a stake in all services that are delivered, not just those that he or she consumes directly. Moreover, because of public purposes, individual choice is overridden; indeed, individuals may be compelled to accept certain services. Similarly, customers may be statutorily restricted from receiving certain services. Finally, public services may be directed at a need that has not been requested or demanded by the recipient or by potential recipients of the service. Therefore, the character of public services is not determined in the marketplace or according to the laws of supply and demand but through a political process.

A distinguishing feature of public administration, then, is the political character of its services. The content and level of such services is determined by qualitative judgements, and by a publicly defensible compromise between competing

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<sup>60</sup> Stewart Ranson and John Stewart, Management for the Public Domain (New York: St. Martin's Press, 1994) p.19-20

<sup>61</sup> Robert B. Denhardt The Pursuit of Significance (Belmont, California: Wadsworth Publishing Company, 1993) p. 80

values, rather than by any single criterion such as profitability. The demand to meet business criteria of 'efficiency' is itself a political demand, which has consequences for the nature and level of the service provided. Public Administration is thus not a matter of carrying out goals set by the politician in the most cost-efficient manner. It is a matter of administering policy in accordance with the values, which have been determined it, among which considerations of cost-efficiency may have a smaller or larger place. Ends and means interconnect, in other words, policy and its administration are not rigidly separable."<sup>62</sup>

Whereas private organizations serve particular interests, public organizations as we have argued, are created to serve the needs of societal as a whole and, as such, are constituted within a legal framework, which imposes obligations. The founding public purposes, therefore, are distinguished by a concern to identify need rather than demand, and to serve rather than accumulate profit.

Finally, the market terminology carries a connotation of losers versus winners: In markets the winners impose their power on the loser without redress because of the structure of social selection, markets produce survivals and extinctions in a Darwinian zero-sum game, whereas governments must guarantee equity among every single member. It is not ethical to convert the government into an institution for "winners".

The second criticism that the business-oriented version of the New Public Management has received is the competition that this vision proposes. Due to the nature of activities performed in favour of the public domain, strong cooperation is required among departments. Moreover, sometimes it is necessary to ask the assistance of other levels of government.

Management in the public domain is necessarily management in an inter-organizational context...It (management) should not assume organizational autonomy. Public organization should be seen as part of that domain, sharing its purposes and values and subject to its conditions. The presumption of competition based on

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<sup>62</sup> D. Beetham Bureaucracy (Milton Keynes: Open University Press, 1987) p. 36

private sector models should therefore be replaced by presumption of cooperation, in which organisations in the public domain work together to achieve the shared purposes and values of that domain, subject to its organising principle<sup>63</sup>.

Stewart and Ranson add that this presumption of cooperation does not exclude the possibility of competition, for example different departments and different organisations compete for resources, however, the authors point out that public organisations are not constituted exclusively to compete because this is not part of the rationale of the public domain, as it is of the private sector economy. They admit that competitive relations are being developed in a part of the public domain, but the role of that part is still governed by overall requirements set in the domain and between parts, the presumption of cooperation still remains. For example, when more than one agency is made responsible for a task and the scale of operation depends upon their capacity to attract clients.

The next divergence is related to the finality of the employee's empowerment. As we have seen, the first set of ideas proposes empowerment in order to achieve a higher level in productivity and consequently diminish the cost of some services and save money. In a contrary sense, the finality of empowerment for Denhardt and his colleagues is more "democratic". In *"The Pursuit of Significance"* Denhardt dedicates several pages to make the argument that empowerment must be one of the central themes in democratic organizations because give back the sense of ownership over jobs and make the workplace participatory. The author adds that in empowered environments people use their maximize and best develop skills if they have the freedom to act, to take initiatives, to take risks and to use their abilities in a way that allows them to challenge themselves. Moreover, this kind of job environment generates creative ideas and prevents jealousies and territoriality. At the core of the strategy of empowerment are individuals throughout the organization assuming responsibility for their own actions and being prepared to take risks in pursuit of what

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<sup>63</sup> Stewart Ranson and John Stewart, Management for the Public Domain (New York: St. Martin's Press, 1994) p. 134-137

they believe is in the best interest of the organization. Denhardt explains that empowerment goes beyond participation it is about shared leadership. This new concept of leadership:

Occurs when the action of one member of a group or organization stimulates others to more clearly recognize their previously latent needs, desires, and potentialities and to work together toward their fulfillment. Leadership is exercised by the person in the group who energizes the group, whether or not he carries the title of leader<sup>64</sup>.

Under this lens leadership involves energy within the group toward a new direction, in addition, it is connected to development rather than power or productivity; leadership is not a capacity of an individual or a position but rather is a function of the group. Certainly, the author is aware that this type of empowerment has several difficulties associated with its implementation, starting with the fact that not all managers would accept giving up some power. Additionally, cannot empower people to make decisions when they have not been prepared to do so or they do not have the necessary information to solve a problem. Nevertheless, Denhardt finalizes this section saying that even if it is complicated, shared leadership is worthwhile.

The most popular form of empowerment is allowing the employees to work in teams. Kernaghan, Marson and Borins dedicate a section in their book *"The New Public Organization"* to explain how teamwork is one of the main components of empowerment. There have been many approaches to define the concept of teamwork. For example, according to Katzenbach and Smith, the definition of teamwork is "a small group of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable"<sup>65</sup>. Furthermore, Thompson describes teamwork as "a cooperative effort to achieve a common goal"<sup>66</sup>. It is important to clarify that a

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<sup>64</sup>Robert B. Denhardt *The Pursuit of Significance* (Belmont, California: Wadsworth Publishing Company, 1993) p. 139

<sup>65</sup> Kenneth Kernahan, Brian Marson, & Sandford Borins, *"The New Public Organization"*. Second Edition. (Toronto: The Institute of Public Administration of Canada, 2002). p. 165.

<sup>66</sup> LeRoy, Jr. Thompson *"Mastering the Challenges of Change"*. (Toronto: American Management Association, 1994) p. 92

work group is not the same idea as a work team (or teamwork). With work groups, members do not have the opportunity to engage in collective work that requires joint effort. His or her performance is the sum of all individual's contributions. With team work there is a positive synergy through coordinated effort. Robbins has outlined such differences in his book *"Essentials of Organizational Behaviour"*. Robbins makes the distinction that a team member not only shares with his colleagues a common goal, but also shares a deep commitment to achieving the team's goal; there is a healthy respect for the contribution each individual makes to the team's common success. Everyone on the team is motivated to accomplish the goals of the organization and makes those goals the team's goals; everyone is willing to give it their best shot and the team has the common belief that everyone will use all their energy and skills to make it happen. A team player will be as accountable as any member of his team will. Despite the benefits of working in teams, there are some weaknesses especially if we look to the performance management area where there is still many work to do in order to "discover" the right way to measure a team member's performance.

As important as teamwork and empowerment is the vision that the scholars of the Citizen-centred New Public Management have about the role of a manager. They inject into this role humanity, ethics and values; moreover, they recognize that there is not "a super- manager". These scholars argue that the new manager must behave according to the organizational values and vision, not in terms of legal requirements. This is because values and vision come from "the heart" and they are recognized by all members as their creation. The new manager must know that he is managing human beings that bring all the problems and complexities of their lives to the organization, that they respond to situations in novel and surprising ways, and that "they act on the basis of their beliefs and their values as much or more than on their understanding of the facts"<sup>67</sup>. Managing therefore is a democratic, inclusive and tolerant task that recognizes differences and taking advantage of them to achieve common objectives. In a sense, managers must build a community in the workplace:

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<sup>67</sup> Robert B. Denhardt *The Pursuit of Significance* (Belmont, California: Wadsworth Publishing Company, 1993) p. 28

The search of community is also a quest for direction and purpose in the collective anchoring of the individual life. Investment of self in a community, acceptance of its authority and willingness to support its values, is dependent in part on the extent to which group life can offer identity, personal meaning and the opportunity to grow in terms of standards and guiding principles that the member feels are expressive of his own inner being<sup>68</sup>.

Under this conception, government managers acquire the role of moral leader and in a sense, teacher and facilitator. It is distinguished that “Nothing that occurs in the public service is just about techniques. Everything that occurs is about values and meaning and significance”<sup>69</sup>. The community plays a central role in this model, and several methods of engagement are suggested in order to involve them in the decision-making process. They set the course for the city and participate actively in all tasks related.

Finally, it is very important to mention that Denhardt and colleagues recognize that there is not a universal way of managing in the public arena. In *“The pursuit of Significance”*, the author points out that despite the fact that his research is based in an Anglo-Saxon background, the managers that he interviewed stated that effectively there is a difference in ethics and customs in their different settings. They felt that the history and political cultures of the different nations placed different pressures on public servants, whether in terms of public respect for those serving in government, in the relationship between elected and career officials, or in standards of ethical conduct. In some countries, ethics are seen as so endemic to the public service that little discussion is needed; in others, no topic is more current or popular. However, there are some common concerns in those Anglo-Saxon countries: the abuse of public service, lack of ethics and integrity in public servants, a concern for democratic governance, and inadequate mechanism of accountability, just to mention a few. I would say that sadly the same problems are shared by Mexicans, and possibly all Latin

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<sup>68</sup> Rosabeth Moss Kanter, quoted in Robert B. Denhardt *The Pursuit of Significance* (Belmont, California: Wadsworth Publishing Company, 1993) p. 113

<sup>69</sup> *Ibid*, p. 267

Americans. One just has to review the daily newspapers to find a scandal where an entire public office was involved or a public servant was caught engaging in misbehaviour. I could mention a long list of examples. In addition, Denhardt makes reference<sup>70</sup> to what Geertz called “the web of significance”, which is very similar to Hofstede’s “software of mind”, and he suggests that a new theory of organizations should be based on the cultural premises. Moreover, in order to begin this task:

The manager’s role is to identify the mining and values that move people in the organization and stimulate these individuals to think of the world in different ways, then to provide them the autonomy, the encouragement and the support for them to act, not in a way that has been dedicated to them by an organizational superior, but in a way that they choose because it allows them to signify what is most important to them<sup>71</sup>.

We have reviewed the two set of ideas around the New Public Management; such ideas have been excellently summarized by Agocs in Table Two, “The New Public Management: Two Alternatives”. It would be important to keep them in mind in order to compare them with the Mexican Culture, which will be treated in the next section of this document.

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<sup>70</sup> Ibid, Chapter Seven

<sup>71</sup> Ibid, p. 279



*Table Two. "The New Public Management: Two Alternatives"*

<b>Market Model</b>	<b>Citizenship Model</b>
Business	Government
Market Choice	Political Choice
Public Choice	Learning System
Costumers	Citizens
Customer preference	Deliberation about values
Exit	Voice
Core expert administration & Privatized Services	Empowered Administration & Citizen Involvement
Competition	Citizen participation
Goal: Efficiency	Goals: Pluralistic
Control based on measurement and economic criteria	Control based on political accountability and learning
Earn revenue	Provide Services
Policy Levers: Economic (taxes, fees, credits, vouchers)	Citizen & Political deliberation and choice
Generic management	Business=Government
Only results count	Process is important

## Part IV – Applicability of the New Public Management in Mexico

I have presented in the last section of this document two contrasting models of the New Public Management, one based on market principles and one centred on citizenship and political choices. I have also presented how my people perceive the broad concept of work and how this meaning differs from the perception that Americans and Canadians have. Now, I would like to bring together all those ideas and analyze their possible implications for the implementation of public sector management reform in my country.

We have seen that the main characteristics of the entrepreneurial management model is the adoption of market practices; these include increased productivity, lower costs, operating with bottom lines, offering alternatives of services and replacing the concept of citizen by client or customer. It also suggests that in order to make efficient the services provided by the government the best option is to privatize them or contract them out.

In my opinion, there are several factors that differentiate the public from the private sectors. The market gives the clues that determine the success or failure of a business; according to these clues, a firm modifies its behaviour to cope with new situations and survive a new environment. If the firm waits for the market to decline, it may suffer a market failure difficult to overcome. Alternatively, in the public arena, the political process and the voice of all citizens are expressed through demands, aspirations, ideas, claims and protests that define what issues will be on the public agenda. Moreover, there is a space for minorities in government, such a thing does not occur in markets. It is through the political process that the voices of the ethnic and other minorities are heard. They transform the balance of interest and concern. It is through political processes in their widest sense of voice raised that public sector organisations of the demands and needs of a changing society. Certainly, some groups will be heard more easily than others will, but eventually everybody will be heard.

Market practices are inadequate because they do not encompass the public will, which is core in government. We know that governments were not created to make a profit, like businesses. Moreover, the factors that contribute to success in private organizations are not necessarily those that advance success in the public sector. Public organizations are for the most part, service-oriented, and driven substantially by the needs, interests and demands of citizens in general. These interests are also decided, at least in Mexico, by the “political flavour of the month”, not by the curve of demand and supply.

Mexico is a country immersed in political disputes that determine the National agenda, and I would dare to say that those disputes overshadow market practices in the public arena.

Just as Stewart, Ranson, and Denhardt pointed out, the market approach leaves out crucial political happenings. Let me give you an example: During the last presidential period the then President Ernesto Zedillo, who had a PhD in Economics from the University of Oxford, presented to the Congress of the Nation a proposal to open the electric sector to private companies, given the fact that this sector is currently owned and managed by the federal government. In those years the then party of opposition, the Partido Accion Nacional (PAN), did not support such initiative in the Congress, arguing that it would made vulnerable a strategic area in the country’s development. Today, being the governing party, the PAN represented by its most important member, President Fox, presented an initiative very similar to the one suggested by Zedillo. The initiative proposes that the new generating plants of electricity could be legally built and operated by private companies, and that the big producers of energy could sell energy directly to the consumers without the necessity of having bureaucracy involved. The State would keep in its hands the generating plants that already exist. Now, it is important to mention that compared with Canada, electricity in Mexico is very cheap because the government subsidizes a large percentage of the actual cost. This subsidy has made the government almost bankrupt in that area and has made it virtually impossible to inject more money into the

industry in order to expand activities. Nobody has talked about diminishing the subsidy because that would mean rising cost and citizens would not accept it. However, the initiative pretends to offer at least more options to the consumers, and it would save some money in governmental expenses. In addition, it would open the possibility of a free electric market in the short term. Under the lenses of national economists, the initiative has been portrayed as a great business with benefits to all parties, and in a market setting it would have been easy to carry out.

However, since we are talking about a government issue, the scenario dramatically changes. What is important to observe in this case, is the political behaviour that the national parties exhibit towards this initiative. Among the three strongest parties, the Partido de la Revolucion Democratica (PRD) is the one that has presented a strong opposition to accepting private interest in the generation of electricity. For many members of the party, still under the influence of Marxism, private investors in key areas are taboo. However, some other members are conscious that their party may one day be in power understand the necessity of having private parties involved in the electric sector. Senator Demetio Sodi, for example, has publicly pointed out that he accepts some elements of the presidential proposal, such as the investment of private companies in generating plants of electricity, but he is against other aspects, such as the creation of a free market among big producers and big consumers of electricity. On the other hand, the Partido Revolucionario Institucional (PRI) has had an ambiguous attitude. It is true that when the PRI was in power they proposed the Law of Electricity in 1992 that allowed a small percentage of private capital in the area. Moreover, they initiated a Constitutional amendment to allow it. However, important and longstanding PRI members like Senator Manuel Bartlett has shown several times that he is against the Presidential initiative. He and the conservative wing of his party had even included within the Declaration of Principles of the PRI that "petroleum and electric energy must be

totally owned by the Nation; its operations must remain within the public sphere”<sup>72</sup>. Of course, within the PRI there are members who do not agree with this principle.

As we can observe, what could have been a simple business in the private sector has gone undecided for almost four years. However, more than the convenience of the deal, what has determined the initiative has been the parties’ arguments. While I am writing these lines there are more than 1,800 candidates trying to obtain one of the 600 places in the National Congress. The successful candidates may decide the future of the electric sector in Mexico and that will have little or nothing to do with what the market would recommend.

It is even naïve to pretend that political interests will not interfere. They are, at least in Mexico, beyond any benefit that the market could offer. Sometimes factors other than logical schemes determine businesses purposed by my government. A simple market explanation is never enough in Mexico. We are complicated people that hardly accept what others see as convenient. In Anglo-Saxon countries, the true test of numbers is decisive to make a deal. If both parties realize that they will make a profit or save some money, then the business is done. Mexicans do not work in that way. We can complain to death because the government is wasting our taxes, and because a service is not efficient, but when a different option is suggested, our fear of the uncertain appears and makes us reject what Canadians would have accepted in a second. We fear what is new, and sometimes we prefer to stay in the same situation rather than explore an alternative. In addition, we have had very bad experiences with investors that in offering a benefit only just took advantage of our little money and our great expectations. Our trust and our pocketbooks have been severely damaged. Certainly, our government has been the main source of disappointment; therefore, most citizens do not believe that it would be capable of delegating any important function and overseeing its proper function. Moreover, politicians do not help at all; they seem to care about gaining votes, not benefits for citizens. They rarely inform citizens about what issues are being discuss in the Congress or what initiatives are

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<sup>72</sup> [www.pri.org.mx](http://www.pri.org.mx)

underway. That, plus our natural distrust, complicates any possible intervention of private partners in government.

Our rejection is a mechanism of defence legitimate in principle but not justifiable. I am not saying that we should privatize all inefficient services in Mexico; neither am I saying that we should avoid it. My point is that introducing these ideas will take years, more than the four years that the electric reform has taken. Mexicans love having laws for everything, even for the unthinkable, and including private sector partners would mean to abolish some laws and allow businessmen to do trades in the way they know. The perception will be that things are out of governmental hands and only a few Mexicans are ready for that. Personally, I believe that my country would benefit if the state let go some services and assume a role of supervisor of private companies focused on a single service. Nevertheless, the first difficult step would be to modify several laws, starting with our National Constitution and the laws that regulate the delivering of services in municipalities. Moreover, we would have to convince the majority of the congressional representatives and the citizens in general to do so. Our high indexes of uncertainty avoidance and power distance will be an obstacle.

In the second place, would it be convenient for Mexico to treat our citizens as clients? I must say that I disagree with the concept of client or customer instead of citizens in general. As several scholars have said, citizens are much more than clients; they are "the owners" of the Nation. Therefore, to reduce them to the status of client is to deny years of history, it is to reject years of civil rights fights which objective was to give a place in the Nation to ordinary citizens.

Public services have to recognize that the direct users of the services cannot be regarded as the only consumers of the service; therefore, marketing approaches that focus on the customer alone are not adequate in the public sphere. Public services are established to meet public needs, not market demands. Subsequently those who demand their needs be fulfilled will behave in a different way that those who just need to buy a product. In first place citizens, know that even if they are not

using a service at the moment, they have the right to a service and they will pursue that right, while in the market they will merely buy the product or service. Secondly, the public knows that they have the right to know the policies of the organization, while in the private sector policies may be kept for company insiders. Finally and the most important, citizens will accept the right of the state to compel while they deny that right to the market.

I have mentioned that some important services and products in Mexico are exclusively provided by the state. The National Constitution and related laws mandate such monopolies. Therefore, in terms of options, Mexicans have few in the governmental services area. Let us give an example. Mexico has one of the most important oil reserves in world. These reserves are managed, processed and sold by the State. Then, all Mexicans who have a car have to buy gasoline from the state, and compared to other countries the price of this gas is ridiculously high. Moreover, all derivatives of oil are controlled by the State. Since Mexicans know that their taxes make possible the survival of this huge industry, they demand to be treated as main investors of the company, not only as a simple client. For example, recently a Federal Court found that many millions of pesos were turned aside from the organization and illegally placed in the budget of the PRI, in order to “contribute” to the campaigns of the candidates of that party. Citizens were more than indignant with the company leaders, and asked for a public apology and the devolution of the money. Of course, PRI was obligated to pay a fine that surpassed the money that they had taken before and some public employees went to jail. In this context, it would be unfair to be treated in another way than as a citizen. This reaction cannot be compared with the reaction that a client could have when a company directs funds to a political purpose. The company can do it if that is its wish, but that is not possible in a company owned by the government.

Certainly, I like the idea of being treated with respect and consideration if I am requesting a service in a public office. I also like the idea of having an opinion about how that office is working. That is the expectation of a citizen who recognizes that

she is more than a client. Therefore, governments must be centred in their citizens because they do not have simple clients and in the Mexican context, such status would be unfair.

The Market-Centered approach emphasises the need of separating the two governmental functions: policy creator and administrative. They encourage officials to divide these tasks in order to achieve efficiency: in this way, the government just will be in charge of deciding what policies will run the city and somebody else will deliver the service. This does not mean that the government completely forgets that responsibility; instead, their members will only deliver some funds to operational bodies and evaluate their performance. In fact, as I have seen that division of function is very normal in North America and Canada. For example, in London a Council formed by a Mayor and 14 Councillors sets the policies that the city has to follow. The implementation of those policies and the administrative work rests in the hands of a Chief Administrative Officer, who is accountable to the Council. In Mexico such a division does not exist; both tasks are under the portfolio of the Presidente Municipal –Mayor and the Regidores –Councillors at the local level. The Presidente Municipal decides who will occupy top positions and by mandate of law, he will be ultimately responsible for every service that the city has to provide. Not to mention that the law gives little room to separate these functions, but since the will of the Presidente Municipal determines how the entire city is governed there could be a possibility of dividing tasks. Then, why we have not done it? I would say that our conception of Government-Father-Provider does not allow this separation.

Let me explain. Traditionally the government has been in charge of all services; it provides water, picks up garbage, supply electricity, and so on. In the same way, the government subsidizes most of those services in order to make them cheap for citizens. Citizens are used to paying a lot less than the real price of services. In other words, government makes our life easier. Obviously cheap services have deficiencies. However, citizens complain just in the comfort of their houses, it is unusual to see demonstrations about “the little things of a city”. Our government



behaves as a father and we behave as children: As a father, it acquired the obligation to take care of us and do whatever is necessary to make our life comfortable. As sons and daughters, we seldom complain because we feel that we do not have the right to do it, in contrary we owe him. We “respect” and fear the father, because he has the authority to “expel” us from our group; because the ingratitude of a son is despised by our brothers. This unconscious analogy is present not only among citizens, but also among bureaucrats and elected officials, and the division of tasks might be perceived as an undesired divorce. In the first place, the Presidente Municipal would suffer a “loss” in the powers that he currently has, and he would have to respect the fact that the administration of the City Hall would be in other hands. The politicians may share the same fear of letting go their control over city’s affairs. Starting with that, the “steering rather than rowing” suggested by Osborne and Gaebler is almost impossible. On the other hand, “the citizens” may see the division as a weakness of their father: he was not capable of holding all his duties.

Summarizing these ideas, I agree with the concept of making the government more efficient, more concerned with costs and more responsible to citizens. However, I do not think that in Mexico introducing market practices would be the only means of doing so. In the first place, talking about a division of tasks, we would have to convince politicians to share the faculties they already have. This potential source of relief could be seen as a threat; therefore, a long process of persuasion would be needed. On the other hand, in terms of privatizing or contracting out certain services, as I see it, citizens would need to be strongly persuaded to agree to these ideas. The governments would have to ensure that there would be a clean bidding processes, and leave behind old practices where politicians helped their friends obtain juicy contracts. Moreover, the expected benefit would have to be explained as clearly as possible as often as the people require it. The citizens would have to understand that even though the government will not be directly picking up their garbage, for example, it would oversee and evaluate the company that will actually do it.

Now, I believe that compared to twenty years ago citizens are more concerned with what the government does or does not do and less preoccupied with securing Freudian necessities. Therefore, this could be the right moment to start working toward some changes.

The increasing preoccupation that citizens feel leads me to the second Osborne and Gaebler principle: Community owned government. The scholars suggest that the control of services must be in the community, not in bureaucracy. Personally, I like the idea of a government centred in their citizens. I also like the idea of citizens deciding what to do with their government. However, I do not sympathize with the aversion towards bureaucrats that this model presents and the generalization that they are a hindrance in government. This assumption is an offence against all those public servants that strongly committed to the noble purpose of serving a common wealth.

The central theme of this principle proposes letting the people decide the solutions to city's issues in order to reduce dependency and generate commitment. But, what if the community does not want to own anything? At least that is my impression with Mexicans. Here I have to mention again the contradiction that characterizes my culture: in extreme situations or when our heart is touched, there are not more compassionate and united people than Mexicans. For example, I remember very well the earthquake that almost destroyed Mexico City in 1986. The whole country helped in one way or another to reconstruct the city, not only the buildings but also the low morale after the disaster. Nevertheless, in terms of issues that affect the daily life of a city people are not as cooperative as they should be. For example, people seldom attend neighbourhood meetings or public consultations held by the City. We say proudly that we are united, and we always have a cute anecdote to tell, but we do not talk about everyday attitudes that result in Mexicans disregarding other Mexicans for no reason, and where decisions simply do not matter because someone

else can decide. Survey results show that 54% of Mexicans<sup>73</sup> think that there are no problems in their community that they would be interested in resolving; 51% believe that it is difficult to be organized with other people, and 82% never worked formally or informally to solve any problem in their community. Solidarity? 85% admit to not participating in any type of organization. The general attitude seems to be “solve my problems, because I do not want to do it”. Mexico City, the capital, has always been considered the most participative city in the country, however, the activity that attracts more attention is sports, and only 17% of citizens are members of any sports club. Religious organizations come in a second place, with 12%. Unions and Bars involve 7% of the population, political parties 5% and finally NGO's attract only 2% of the inhabitants. Just to make a comparison, in Nordic countries 85% of citizens are members of three or more organizations. These numbers are important because they show the low level of involvement that Mexicans have towards any kind of activity that requires their participation.

Therefore, if suddenly we decide to turn government towards Mexicans we can expect a low participation and involvement. Would I say that we do not want to be part of the decision-making process? No. I would say that we could compare citizens with children whose parents make all of their decisions for them. Eventually children would see it as normal not to decide things, and they would not know how to make a decision. In fact, they will be scared to have to choose among different options. This stage of childhood has prevented an active participation in all areas, and has allowed our governments to decide what they have considered convenient for us. Thus, we are co-responsible for all wrong decisions which consequences we have had to suffer. We are also guilty, we must not blame our bad governments because we have chosen them and we have permitted them to decide for us.

In countries with a low degree of power distance, it is normal and even expected to give an opinion about the new smoking By-law, for example. It is usual

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<sup>73</sup> See the “Encuesta Nacional sobre Cultura Política y Prácticas Ciudadanas” Este País, SEGOB, num 137 quoted in “Corresponsables” Article written by Federico Reyes Heróles in the newspaper “Reforma” June 10,2003. [www.reforma.com.mx](http://www.reforma.com.mx)

to approach the authorities if citizens do not agree with a decision and we may see a change as a result of this expression of public opinion. Since citizens perceive governors as equals, they are not afraid to either contradict their ideas or to support them. In these countries, people have been educated to participate and their governors are educated to pay attention to their voices. Therefore, it is relatively easy to expect that in these countries “community owned government” would work. Such a thing is still difficult to apply in Mexico. However, the fact that it will not be easy does not mean that it is not worthy to try.

It is important to clarify what would be our objective while injecting citizens’ participation in Mexico. Will it be diminishing the number bureaucrats? Will it be lowering our costs? Or Will it be strengthening our democracy? For me, the last reason is the only valid and ethical one.

The Entrepreneurial Model is a strong advocate of breaking the governmental monopoly in order to shrink the state and provide efficient services. This objective is achieved, according to the scholars, with competition among providers. Such providers could be either private sector companies or public organizations. The scholars assume that competition will raise morale among bureaucrats and would provide numerous benefits, such as greater efficiency, innovation and sensitivity to citizens’ needs. From their very Anglo-Saxon hearts the advocates of this practice assume that public employees would improve their low levels of morale if they have to compete to obtain the concession of a public service; and once that they get it, they will be pleased to be fighting to be the best.

As we have seen in the Diaz-Loving and Draguns study, Americans and Mexicans are educated differently, starting with the values that both societies believe in. Americans are educated to fulfill personal aspirations; family and friends do not occupy a central role in their lives, therefore it is logical that they do not develop strong liaisons with co-workers. I am not saying that Canadians or Americans do not care about those important networks, however, the significance of them is less if we compare them with the importance that Mexicans place on family or friends.

Moreover, the hiring process in an office is based on the candidate's personal merits, not on the relation that the applicant may have with somebody that is already working in the institution. Within this environment, competition may seem natural and I do not doubt that in a society educated to achieve individual aspirations and "to be the number one" this factor would raise morale due to the excitement attached to the contest, and because it fulfills a desire inculcated since childhood. In addition, if winning would have a benefit such as an increase of salary or a bonus or maybe a promotion, the employees will have an extra incentive to be in the competition.

Contrary to Americans, family and friendship is the most important network for Mexicans. For their families Mexicans will put aside personal wishes and deny individual aspirations. Our values are directed towards achieving benefits for our familial networks. It is very usual that offices resemble a family. Employees with more seniority are equated to the father or mother, and even though their opinions could be wrong, it is a fact that they will be listened to by bosses and co-workers. Now, these families do not appear from one day to another, they emerge after a process more or less long where all members have proof to be confident and the group recognizes that an element would sacrifice a personal benefit in favour of the group. I would say that this process is divided into two stages. In the first one the newcomer looks for the acceptance of the group, therefore he works in order to obtain his full acceptance, which is natural, given the fact that for Mexicans, belonging is one of the most important necessities to fulfill. Maslow was not wrong, at least not with my people. In the second stage the group evaluates the applicant and recognizes that he or she is worthy to belong to the group, therefore, following an unwritten code that is different in every office, they let the candidate know that now he is "one of them". The new member then is aware that he has contracted new obligations towards his group, but he also knows that the group will take care of him.

They become a clan in the sense brought for us by Ouchi, who quoting Durkheim, stated:

A clan provides great regularity of relations and may in fact be more directive than the other, more explicit

mechanisms. ... This discipline was not achieved through contractualism or surveillance but through an extreme form of the belief that individual interests are best served by a complete immersion of each individual in the interests of the whole<sup>74</sup>.

In the same way, Ouchi expressed his opinions in relation with the new community formed in an office environment:

A variety of social mechanisms reduces differences between individual and organization goals and produces a strong sense of community. Where individual and organizational interests overlap to this extent, opportunism is unlikely and equity in rewards can be achieved at a relatively low transactions cost<sup>75</sup>.

In the new community traditions, common values, and reciprocity are the main characteristics.

Certainly, we can identify several clans in an office, all of them with different rituals and sub-cultures. However, when the institution is threatened all of those different groups react as a single unity because in the end all of them are members of a big family.

The collectivism developed in Mexican offices contradicts any competition. In first place, the liaisons among members make a contest unthinkable; the members of a clan would feel betrayed if one of them intended to let the group down. Let us think for a moment that a contest is proposed among individuals of the same clan; let us imagine that they accept. The manager must be ready to deal with a number of personal issues among his subordinates. The contest would become something personal; there would not be a line between professional and personal conflicts. Well, let us say that the contest is over and we have a winner, someone who achieved most productivity while serving clients for example (if that is possible to measure). That individual would be isolated for the rest of his life in that office. The rest of the members would never accept him again because he let his group be subordinate to

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<sup>74</sup> William Ouchi "Markets, Bureaucracies and Clans" Administrative Science Quarterly, Volume 25, Issue 1, March 1980, p. 136.

<sup>75</sup> Ibid p. 136

his own interests; he dared to prefer a personal benefit instead a collective one. Moreover, the winner could be a threat to the clan because he knows all the “inside issues”, and distrustful as we are, the rest of the members would think that he will use that information against them. Far from raising the morale of the office, the manager can expect an environment of hostility with a generalized low morale.

Let us imagine another scenario. The contest is now among groups of the same office. As I mentioned before, we can find many clans in one office, and it is usual that members of different groups are friends or relatives. I do not know the reason, but it is very usual to find complete families working for the city in different areas, especially in local governments. We would be talking about a contest among members of the same family, and it is highly unlikely difficult that a mother who also happens to be a secretary in the Accounting Department would want to compete against her son, who happens to be technician in the IT area. And just to increase the tension, the mother happens to have a goddaughter in the HR department. This sounds like a joke, but in my experience, this would not be an isolated case. According to our values, such competition would be unethical: family and friends must provide help and security; all members must contribute for the welfare and cohesion of the group. Introducing competition could be a failure since the beginning; in fact, such a contest may never really exist because family members will be looking after each other. If we have to decide between office-clan and family/friend, the second group would win, even if that means to lose a bonus or more resources for our bureau.

The objective of injecting competition within government services is to raise morale and increase productivity and efficacy while serving citizens. However, such practice is not in our blood as the factors that motivate us are driven by a collective benefit; moreover, competition conflicts with our values and traditions. In addition, it could create a hostile environment among co-workers that could cause problems while developing further projects. For the worst or for the best Mexicans do not forget or forgive easily.

The Market-driven model proposes to empower employees in order to increase productivity. Here I must say that I agree with the idea of empowerment but I disagree with the objective stated by this model. I believe that if the only thing that we are looking for in empowering public employees is to make them produce, then we are reducing them to little unimportant pieces of machinery, easy to replace. In Mexico that would be like coming back to the Colony, where hacendados used Indians to work their lands and take care of their animals and at the moment that they were not useful, the landlord would sell them or kill them, whatever would represent the cheapest option. Moreover, the objective of our painful Revolution was to forsake unjust systems of production that did not recognize our skills and ideas; during the Revolution hundreds of workers fought to recover their status of human beings. In addition, in recent years the "Movimiento Chicano" formed by Mexicans working in the United States has had several battles in order to be recognized as something more than cheap labour.

In the case of workplace empowerment it is obvious that nobody would be killed and our circumstances have changed, however, Mexicans do not like to be used for anybody's proposes. Our always-present distrust has been partially caused by being used for others' objectives, and being part of the public force people are aware that they are working for everybody's objectives. In this sense, the empowerment stated by the Market model would have an immediate negative reaction among employees. Moreover, we have to remember that for my people, work is an obligation, not a pleasure, we work to bring benefits to our family, therefore our objectives while working have faces and names. We do not work for ambiguous reasons such as "to be efficient", "to achieve efficacy", "to be productive". In summary, we are passionate people that want to be treated as an end in themselves, not as a means to an end.

The usual tool of empowerment mentioned in the theory is using teams in the workplace. These teams are expected to work with little supervision of managers; in addition, they will have enough information, material and human resources to decide



by themselves. Consequently, the hierarchical structure will be flattened; this would mean letting go employees, starting with middle managers.

Would it be a good idea to implement teamwork in Mexico? Definitely, our brains and hearts have been educated to be part of a group. Our “culture of relatedness” would make favourable the integration of all members, and it would be relatively easy to set a common goal and work for it. In addition, the interdependence and trust needed while working in groups, would emerge naturally. Undoubtedly, the group process would be strengthened if we use clans that already exist, in this way the process would be less traumatic than the processes in Canada or USA.

It is important to mention that even though grouping is a natural tendency among Mexicans that does not mean that such teams will have a good performance in the workplace. We have to remember that communities are created to fulfill social necessities, not to develop a task. Therefore, it would be indispensable to provide an adequate training that allows the members to focus their natural capabilities to improve their jobs. In this sense, I would say that the broad Western literature about teams would be helpful and applicable.

Finally, a manager must be very careful while dealing with personal issues in a group, because as I have mentioned, in Mexico emotions, feelings, productivity and efficiency are blended.

According to the Market Model, once public employees are working in teams, there is no need to have some of the levels of the hierarchy, such as the middle managers. Openly, Osborne and Gaebler and colleagues see these employees as the main obstacle to all changes; they are the “brakes” of all transformation.

As all around the world, middle managers do not have a very good reputation in Mexico. Usually they are seen as an obstacle between the citizen and the service required. Middle managers have earned their bad reputation, however most of the time they act unhelpfully because they do not have the legal power to make decisions by themselves to address a simple demand. I was a middle manager for two years and even if I tried to be cooperative, I knew that in the end I would have to go to my

boss to receive her authorization, which made me waste my time and citizen's time. Obviously, I had to deal with many angry faces. In my case, I had a very supportive boss that gave me the freedom to act according to my own decisions in most of the cases; however, we both were aware that under the extensive Mexican legal framework my decisions were not valid. Like myself, many middle managers feel relatively powerless and with insufficient access to what Kanter<sup>76</sup> called "power tools": information, control of resources and influence in the organization. In addition, Kanter found career-plateau managers to be particularly preoccupied with issues of power and control. She argues that those who have little hope of upward mobility have a greater tendency to be authoritarian and rule-minded.

In my opinion, middle managers in local government are necessary in Mexico and everywhere because they perform the unique and democratic tasks of facilitating a definition of "good" service. Moreover, they make certain that the delivery of public services is carried out in a manner that meets accountability standards that have been put into place. Local governments need middle managers to represent the core group's interests, to secure or lend assistance, to develop professional relationships and to leverage others people's time. In performing these functions, middle managers serve as essential communication links between the organization's senior-level managers and the line personnel. The middle manager must interpret and synthesize a variety of powerful influences on the work of the organization, including the demands of various internal and external leaders, the interests of citizens, the perceptions of the public, the needs of line personnel and the expectations of the organization. My position would be that instead of getting rid of middle managers, give them enough means to operate in an independent way.

Both, teamwork and strong middle managers in Mexico would have to face two cultural obstacles: our high indexes of power distance and uncertainty avoidance. In addition, we could face a possible problem if those who receive such power are women. Certainly I have seen a serious improvement in the so-called "machismo

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<sup>76</sup> Rosabeth Kanther "Power failure in Management Circuits" Harvard Business Review, 1979.

Latino” and the number of women in top positions has increased; however, we still have a good number of males that will not be happy treating women as equals.

We have to remember that cross-cultural studies have shown the high dependency that Mexicans have towards any authority, whether parents, elder friends or bosses. In the work place, Mexicans believe that there is something that makes superiors different from subordinates; therefore, it is unusual for a subordinate to approach and contradict his boss. Mexicans are expected to work based on what superiors tell them, we are very good at following orders because we have been educated to be obedient and patient. Mexican workers are highly dependant on their bosses and such dependency is preferred and “fed” with daily rituals created to please superiors. Not only employees feel consulting with their bosses on decisions; managers expect to be consulted, in fact, most of them lose their tempers if they are set aside in a decision. These ancient practices cannot be “deleted” from one day to another because they have created a whole system of behaviour.

Giving up power in order to strengthen middle managers and teams will require managers to be willing to change a cultural paradigm, not only a way of working. On the other hand, delivering such freedom and independency to employees that are use to work under specific orders and regulations may not be such a good idea. I am not saying that public employees in my country lack initiative and creativity, on the contrary, I have seen ingenious solutions coming from employees of the lowest rank. The problem is that they have not been taught to trust in their own decisions. Moreover, I am afraid that maybe some employees may abuse their recently acquired decision-making power to get personal benefits or simply not work in the same way that they would do under supervision. Again, I refuse to believe that they are lazy; we just have on our backs hundreds of years of unused decision-making abilities.

A former public sector manager<sup>77</sup> and current Human Resources director in a private sector company shared with me her experience regarding this subject:

I was working in the Attention to Clients department of XX, which in that time was restructuring its services. The main objective was to develop projects oriented to attack all deficient services that the citizens identified and doing something in order to diminish the number of complaints. In my opinion, the projects were very good and there was a sincere intention to improve our services. The implementation of Quality Circles was key in our purposes. We intended to make interdisciplinary teams with nurses, physicians, doctors, and staff from the administration and laboratories. We wanted to work in a systematic way, and finish with years of isolated jobs. We identified some objectives, but the truth is that the people did not respond in the way we wanted. In my opinion, *employees were not mature* enough to work with the new system. First of all the union was an obstacle, they were scared and they showed a strong resistance since the beginning. They did not want to attack the problems that we had identified because it would have meant to work a little bit extra. Everybody started to *blame each other* and *nobody took responsibility* for the activities. People were *disoriented* because *they did not have supervision*. The bureaucratic system was another obstacle, and as always, we did not have the financial resources that we needed. I believe that in order to implement a model like that we should have started to work in 'cascade', from the top management to the lower levels. In this way, they may have *shared* with the teams the *information* that the teams needed. We also should have helped to create a *culture of change* and give the people the necessary *tools* to work with. We should have made a *strategic plan* to cope with the challenge. However, that is very difficult in an obsolete system that functions with people that is get used to work in a *rhythm*. I am not saying that the people were the problem. The system was the problem...You should see how well this works in the private sector.

As we can see, there are a number of systemic and cultural challenges if we want to empower public employees in my country. The last phrase is especially interesting. Why what was a disappointment in the public sector works in the private

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<sup>77</sup> Electronic interview with Ms. Laura A. Segovia-Rivas, Former manager of the Instituto de Seguridad Social al Servicio de Trabajadores del Estado, ISSSTE, In July 10, 2003.

one? My experience tells me that in public sector hierarchical practices are nourished daily, while in the private sector, those practices are relegated to a second place, especially if the company is not Mexican and has international employees, which is frequent. In that case, being in touch with people from different cultures, practices are mixed and our tributes to hierarchies are diminished.

With these ideas, I would like to conclude the analysis of the divergences between the Market Model and Mexican Culture. We can easily deduce that such differences, far from confirming the universalism proclaimed by Osborne and Gaebler and their followers, indicate that management in governments must consider the particular values and practices of the place where they intend to put them model into practice.

I confess that I sympathise with the second stream of ideas proposed by the citizen-oriented model of New Public Management. Even though some practices would not be very different from the ones encountered in the Market Model, the principles of the Citizen-centred model make the big difference; they strengthen the ideals of democracy, community and equity. I prefer a government that emphasizes political choice rather than market choice, a government preoccupied in providing services instead of earning revenue, a government concerned by citizens rather than customers. I prefer a government inspired by the deliberation about values rather than customer's preferences. I prefer a government in which control is based on political accountability and learning instead of measurement and economic criteria. That is the government Mexico needs.

However, my personal taste is not sufficient to affirm that the Citizen Centred model could be implemented in Mexico in a straightforward manner. My main concern is precisely the citizens. And by citizens, I am including politicians and bureaucrats, because in the end, no matter the quality of public employees elected or appointed, they will be occupying a job with a defined period of time and I consider that even during that time, they are citizens with rights and duties like all of us. Why am I saying that the problem of applying this model in Mexico is the citizens? Well, it

would be unnecessary to repeat my previously stated arguments regarding the “citizen-owned” principle in the Market Model: citizens are not yet used to participating, they are part and foment the cult of hierarchy, and they distrust governmental actions.

However, what could save us is our strong belief in democracy. In a recent article written by Jesus Silva-Herzog Marquez<sup>78</sup> discusses how Mexicans prefer a pluralist system, even though its constitutive elements are viewed with suspicion. Supported by the most recent survey of the organization “Latinobarometro” it is shown how 63% of the targeted population expressed a complete support for a pluralist regime. Mexico was placed in the fifth place, ahead of Costa Rica, Uruguay, Venezuela and Argentina. Nevertheless, Mexico has demonstrated that it is one of the countries least satisfied with the development of its democratic system. In that respect, Mexico occupied place number 13 out of 17 countries surveyed. Only citizens from Ecuador, Colombia, Argentina and Paraguay were more unsatisfied with the fruits of their political system. According to the same study, in relation to the attitudes of citizens in Latin America, the participants showed strong disbelief toward political parties. Almost 9 of every 10 Mexicans declared that they did not trust in what political parties do or say. Most of citizens expressed that political parties are necessary for the existence of a democratic system, but they do not trust in parties that ask for their votes. Citizens understand democracy as a competitive system that requires “players” but they do not feel any identification with the actual competitors. To use an analogy, democracy could be our preferred political sport, but we are not fascinated with the teams that dispute the championship. The tension between the support for democracy and the rejection of those who make it possible expresses a universal contradiction that reflects the tension between ideals and realities. When we state our preference for democracy, we are expressing our predilection for the democratic ideal: The one that incorporates the voice of all citizens, sets a limit to the whim of authorities, and ensures legality. When we express our distance from

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<sup>78</sup> Jesus Silva-Herzog Marquez. “Partidos y Contradicciones” available in [www.reforma.com.mx](http://www.reforma.com.mx) July 7, 2003.

political parties, we are not talking any more about the democratic dream; we are talking about our democratic reality.

The contradiction lives in us. Let us think, for example, of our reaction towards competition and our aspirations of unity. The majority of the population in my country feel a strong fascination for the emblems that express national concord such as the flag or our national anthem. Citizens consider that those symbols are the space where disappear all the egoisms that separate us. Division is seen as the cancer that dissolves the collective body. We can reject a presidential act and at the same time, support the Presidency as institution. Under these seductions of unity, political parties appear inevitably as malign agents. If citizens have the expectation that that the political sphere will be capable of reconciling the Nation, they will see in political parties as sources of hostility and rancour: organizations for conflict not for consensus. Political parties are victims of the contradictions of their own role in the democratic game.

In this context, a Mexican citizen-centred government will have to deal with the ambivalences of a partisan government and the slow apprenticeship that a participatory government requires.

Since I can remember, Mexico has been a developing country and not only in the economic sense; have we been working in order to strength our governance. Today we have more room for consultation and involvement, public employees have started to feel that they can contribute beyond their job description and top managers have realized this restlessness. Culturally speaking Mexicans have strengths and a number of opportunities; we also have the advantages of management models previously tested. An adequate model could come soon; all the signs lead us to believe it. Even though I have written my thoughts about what I estimate important considerations in managing Mexican public employees, I would like to provide some specific proposals in the next section.

## Part V- Suggested Foundations for a Mexican Managerial Model

In my opinion, a managerial model indented to improve the efficiency of Mexican government must consider the following points:

### 1. Recognize Differences

Even when a group of managerial ideas or techniques sound innovative, creative and have showed to be efficient in first world countries, that does not mean that such effectiveness will be the same in other nations. Therefore, my first recommendation would be to recognize that culture matters.

The symbols, heroes, ritual and values that form the “software of mind” will reveal to us the especial conditions of the people for whom a technique is intended. Understanding the people who we want to manage, we will have a higher possibility to succeed.

To those who “stay home”, “culture” typically implies “high culture” and represents an ideal to be cultivated. Similarly, the possibilities one sees in oneself are limited by what is perceived as possible in one’s place of origin. In any given place, however, there are many subcultures co-existing and in any given person, there are many facets to his or her personality. Experiencing different cultures fosters the pluralistic vision implicit in seeing the individual in more than one cultural context. If I can imagine myself in another’s situation, I may come to see previously invisible possibilities of my own as well as to appreciate the constraints under which others act. The need for those willing and able to do this in today’s world is increasing. As technology puts us in touch with more and more diverse populations it becomes clear that we are all part of an interdependent network and that survival needs are mutual. If it is only through encounters with “Otherness” that culture emerges as a shaping force, it would be quite ironic, through the same encounters, the resulting comparison necessitated feelings of superiority.



Therefore, I recommend that before working with people of different cultures; avoid the temptation to make assumptions and generalizations. Awakening our curiosity and being open to different behaviours is always an enriching experience.

In the particular case, those who pretend to manage Mexicans (and this is not exclusively for foreigners) must be aware of the importance that we give to the community to which we belong, especially family and friends, because these networks shape our relation with our co-workers. In the same way, it is important to remember characteristics such as amiability, courteousness, happiness, respect, serenity and the self-modifying or autoplasic coping style prevalent in the Mexican culture. In addition, it is important to realize that in my culture's hierarchies may be obstacles to the continuous participation of subordinates. In the same way, a complicated –and crowded- legal framework must be overcome for any organizational change to occur. Finally, citizens' participation will not be easy to achieve, however, Mexico is in a crucial era where naturally cultural paradigms are changing, and consequently now may be a good time for organizational changes.

## 2. Working on trust

In the article “Changing the Paradigm: Trust and its role in Public Sector Organizations”, Roland C. Nyhan accentuates that: “Trust is the most influential of all variables of interpersonal behaviour in Public Organizations”<sup>79</sup> But, what is trust and why is it so important? According to K.D. Scott, “trust is the positive force from which cooperation is derived”<sup>80</sup>. As Luhmann assumed, the attitudes of trust vary within organizations depending on structural relationships.<sup>81</sup> He presupposed that an individual's degree of trust varies between his or her supervisor and the organizations as a whole. Employees carry images of the organization based on the decisions and

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<sup>79</sup> Ronald C. Nyhan. “Changing the paradigm: Trust and its role in Public Sector Organizations”. American Review of Public Administration, Vol. 30 No.1 March 2000. p. 101

<sup>80</sup>K.D. Scott. “The causal relationship between trust and the assessed value of management by objectives”. Journal of Management, Vol. 6, p.157.

<sup>81</sup>N. Luhmann, Trust and Power. (New York: John Wiley, 1979).

actions of the executive group. These images of the organization as an entity are separate from those that are formed based on the immediate contact the employee has on a daily basis with his or her supervisor. Therefore, trust is necessary for successful interpersonal and professional relations within bureaucracies. Any managerial technique must emphasize this important characteristic; employees must have an understanding of trust and a feeling of trust in order to achieve the buy-in necessary for an entire organizational change. This issue is far from been easy to deal with in Mexico; starting with the pre-Cortesian era, during the Colony, passing by the Revolution and finishing with the seventy years of PRI-government, my people have suffered deceptions again and again. Moreover, the recent elections (July 6, 2003) showed that citizens are disappointed with the government of Vicente Fox –the honey moon is over-, and again the PRI will hold the majority in the Congress of the Nation and it has recovered the local government of important municipalities. It is simply incredible. Our masks are still in use.

How can an organization increase trust in the Mexican context? First there must be a change in the paradigm of an employee's concept and view of his/her role and importance in the decision making process. This presupposes a willingness on the part of managers to involve workers and a perception by employees that their involvement is meaningful. Perhaps, workers will demonstrate adult behaviours only when supervisors involve them in decision-making processes and encourage their thinking. Thus, expressing confidence in employees is important; employees must feel as if management trusts their judgment when exploring and implementing decisions. In Mexico, this will mean that both, managers and employees abandon the paternal analogy and together create a new relationship based in confidence in both parties.

A second method of increasing trust is with formal feedback on performance. Feedback positively affects performance as an error-correction device and helps to identify problems and solutions. The use of performance appraisals and consultation is an important aspect of feedback both at an individual basis and at the team level. I strongly believe that a formal feedback is not only necessary, but also indispensable in

the positive development of a worker (the person), a job (the position) and the entire organization. However, I realize that this issue under Mexican circumstances would require a complete research and analysis. It is not my intention to provide such a detailed examination; rather, I just would just like to highlight that feedback in my country must be done with extreme sensitivity due to the passionate and complex personalities that Mexicans have. In addition, while undertaking such feedbacks, we have to remember that in Mexico management becomes management not just if individuals but of groups, and the appraisal of an individual could result in consequences for a complete clan.

### 3. Be clear in objectives pursued

In my opinion, public servants operate in a complex world of values that embrace different arenas: political, managerial, ethical. Certainly governmental managers must be concerned with their efficiency and responsiveness towards citizens; however, these forces must not be the only ones considered while implementing an organizational change. Public servants must ask whether the change will enhance the values of democratic governance and whether the organization will be better able to serve the public interest. This crucial point must be central in all organizational change in Mexico. Only in this way, will such change be fully accepted by citizens and public employees.

In addition, it would be very important to publicly announce the goal of any change in a public office not just once; it is indispensable repeat such objective in detail as many times as necessary and to work in that direction. Words and deeds must not be separated. I have discussed in this document the suspicions generated by new initiatives in Mexico and how the motives of everyone are suspected. We will have to overcome this mistrust before taking any actual steps towards change. This is the biggest challenge. Therefore, besides having and honest and clear objectives, it would be necessary to have a separate “campaign” in order to accomplish the cooperation of all parties.

#### 4. Rituals

My culture is full of symbols, rituals and festivities. We honour our traditions as our most precious treasure because that is what makes us different from the rest of the world.

As a small scale models of the country, public offices cultivate and protect inner traditions. This includes slang, body signals and of course, parties.

Celebrations are the element that brings balance to the forces that cohabiting in an office. They erase the boundaries between bosses and subordinates. They are the occasion where disputes can be solved. Celebrations strengthen friendships and create alliances, promote cooperation and build respect amongst coworkers. Thus, to suppress the existent celebrations held in an office will bring negative effects; the group will feel that they are not respected and they will feel a threat of their uniqueness as a group. The best managers in Mexico are those who encourage the traditions of the people whom they supervise, show their respect and try to be active members of these celebrations. In addition, they must adopt the "local" language and respect the fact that they may not be the organizers or principal characters of all rituals.

Another important point is the fact that even in offices religious rituals will be present. We can expect tributes to the Virgin of Guadalupe or the Sacred Heart at worker's desks. We can also expect employees to ask for permission to go to the church every Tuesday at eleven o'clock for fifteen minutes to pray to Saint Martha. Of course, it would be up to the manager's will to grant such permission. Is this request convenient? It all depends on the situation; it could be more convenient to give up a few minutes than to gain the animosity of a subordinate. On the other hand, it may be the source of lax discipline. There is not a right answer.

In short, a manager in Mexico must be very sensitive to all the elements that form the rituals in an office setting, respect them and be part of them.

### 5. Patience

A manager's job requires a large dose of patience. In Mexico, it will require extra doses. Mexicans like to work slowly and carefully, especially if we have followed the same routine for years. Our work-habits become yet another of our rituals to preserve. In fact, we do not even question the rationale behind work traditions; we just follow them without question. Therefore, a break in our traditions and the introduction of new habits will take time. This does not mean that we are not intelligent or "good workers". Neither does it mean that we are so immersed in ourselves that we are not interested in learning new things. It means that as all cultural changes, the introduction of practices such as participatory decision-making, empowerment, or even autonomous working-teams will not simply take a few months.

A champion leading an organizational change in Mexico may often feel frustration caused by the lack of immediate outcomes. Thus, he or she must have a strong commitment to his or her job and its objectives. He or she must truly believe in the project and in the people that will participate.

### 6. Good intentions are not enough

It has been said that the humans are the only animal that stumbles more than once over the same stone. For Mexicans that stone is the lack of planning in governmental projects. I could mention a fair number of failures in what seemed to be good ideas caused by the lack of strategic planning. These failures have contributed to the negative perception that citizens and bureaucrats have towards government. It is natural that, after many unsuccessful programs, public employees and citizens do not easily buy-in into new projects, especially if those projects have as their objective improving the internal organization of government branches.

However, the losses of credibility and legitimacy have been some of the driving forces that have obligated top managers to think about reorganization in the Mexican state. In addition, we are facing a change in cultural paradigms; Mexican

society is walking towards what Kagitcibasi called “Society Y”, therefore, an organizational change is only a part of a complex development in Mexican society.

This necessity of evolution in the office environment must have attached a strategic plan that materializes all of the good intentions that public employees have. It would be commendable to apply the concepts outlined by theory, such as the Bryson’s model for strategic planning. Finally, under the premises of the Planning School, strategy formulation is a formal process. Its model must

Take the SWOT (strengths, weaknesses, opportunities and threats) analysis, divide it into neatly delineated steps, articulate each of these with lots of checklists and techniques and give special attention to the setting of objectives on the front end and the elaboration of budgets and operation plans on the back end<sup>82</sup>.

Despite the limited room for flexibility that this model presents, I consider that it would fit within the context of Mexican municipalities, at least during the first stages, assuming a limited participation by citizens and confusion among bureaucrats. This would avoid problems of accountability such as knowing specifically who does what, when and why.

### 7. The Human side

If something is important for Mexicans, it is being recognized as humans with feeling, emotions, and decision-making capabilities. We are passionate: our feelings are always strong, we love too much, we hate too much. We create strong liaisons, but in the same way, if our trust is broken we do not forgive or forget easily. We rarely rely on ambivalences.

Managing us could be a task worthy of the best sociologists, psychologists and administrators. Therefore, managing Mexicans will be always a task centered in persons, names and faces. Recognizing that, we will have half of the work done.

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<sup>82</sup> Henry Mintzberg and others. Strategy Safari. (Toronto: The Free Press, 1998) p.49

## Conclusion

Ortega y Gasset wrote that life is a set of challenges, to which we respond with a set of solutions that we have called “culture”. I have tried to emphasise in this document that those solutions can be as diverse as the cultures that exist.

Management in government, especially in the local environment must be determined by the especial and unique characteristics of the place where it is practiced. As we have seen, most of the techniques proposed by the New Public Management could not be successful in Mexico because our values and cultural practices simply do not match with those ideas.

I am convinced that my country needs urgently a reform in the way of running government. We require and deserve public employees committed to enact the will of the public. We need innovative methods that help to improve our services and include the voices of both citizens and bureaucrats. We need to overcome our obsession for legalities and give more room to free will. We must take advantage of our sense of community and as the family that we are, stop fearing what we do not know.

Unquestionably, the thoughts and ideas generated outside of Mexico will be useful; however, we are the only ones who have the final answer. We have to look deeply inside ourselves and rescue the trust that seems lost. It is time to find the “Mexican Management Model”. This model must be based in our core values, without forgetting the applicable ideas created by foreigners.

Therefore, my work is far from being concluded. However, I believe that this document could be the foundation of further studies that could truly contribute to the development of the public sector in Mexico.

I started this research project with a phrase taken from the holy book of the Mayan people: Gods blinded us and now we have to look nearby to perceive things. I hope that this project has helped to clarify our visions.

**APPENDIX**



## Appendix One – Mexican Municipalities

According with the Article 40 of the Mexican Constitution, the Republic will be formed by “Free and sovereign States on whatever it comes to its inner regime, but united in one Federation and established according to the principles of this Constitution”<sup>83</sup>. The Federation is divided in three “levels” of government, the Federal, the State and the Municipal Government. This division could be compared with a hierarchy, where Federal mandates must be obeyed for the other two levels. However, it is important to mention that Mexican Municipalities are recognized by the Constitution as autonomous entities since 1824; situation that does not occur in the Canadian context. Under the supreme law, all municipalities must be organized, governed and administrated in the same manner nation wide. Mexican Municipalities are renowned as the nucleolus of the political and administrative organization of government.

The governing body of all municipalities is the “Ayuntamiento”, which is formed by a “Presidente Municipal”, who is the equivalent to a Canadian Mayor and “Regidores”, who are counterparts of Canadian Councillors. The number of Regidores varies from one municipality to another; the number depends on the population of each municipality.

Due to the Mexican legal framework, the life of all municipalities must be subordinated to the National Constitution and the Constitution of the State where the municipality is located. In addition, there are special laws applicable to each municipality. In the case of San Luis Potosi, for example, the main Law is the “Ley Organica del Municipio Libre” or Organic Law of the Free Municipality. This law contains the faculties that the 58 municipalities of the State of San Luis Potosi has and indicates the procedures that must be observed in municipal affairs. In addition, there are at least other five laws that deal with municipal issues. As we can observe, Mexican municipalities have a complicate legal framework and consequently

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<sup>83</sup> Constitucion Politica de los Estados Unidos Mexicanos, Art.40 (Mexico: Ediciones Delma, 2002) p.34.

municipal actions must be in accordance with all those laws. A very similar situation is present in all municipalities in the country.

We must remember that Mexico has a strong partisan tradition that embraces local governments. In fact, Mexican legislation just allows the participation of a candidate if he or she is an active member of a political party. This a notable difference with the Canadian context, where any citizen can run if he has the wish and economic means to do it. Moreover, local government elections are regulated by two laws, the “Ley Federal Electoral” or Federal Law for Elections and the “Ley Estatal Electoral” or State Law for Elections. These laws apply in Municipal campaigns and elections. Both laws guarantee the equal participation of all parties; this goes to the extent of provide them with financial resources that are an important percentage of the National budget. Public financing for parties are set in a yearly basis, and they are suppose to help them in their permanent activities as well as their own administration expenses and activities focused toward elections. In addition, parties have a permanent right of use some time in media in order to advertise their activities and candidates.

Now, for elections in the Municipal world, political parties use to select a candidate to run for the Presidente Municipal/Mayor position and he or she in consensus with his party’s fellows will designate the people that will be Regidor/Councillors. Then, in the moment of voting, citizens not only vote for a Mayor, they vote for a formula, for the whole council. I have to say that actually the ordinary citizen is not aware of this situation, it is usual that given the strong position that a Presidente Municipal represents the Regidores are relegated to a second term. Most of people simply ignores that there are more than one person in charge of their municipality. Nevertheless, to be fair, I have to say that since a couple of years ago, this trend is starting to change and citizens have tuned their attention towards all elected members in the Municipal government.

An Ayuntamiento will be in the government for a period of three years and it is forbidden the re-election for the immediate period. This situation has historical

reason that comes from the Mexican Revolution (1910), which one of the main goals was to topple the General Porfirio Diaz, who was in the Presidency of the Republic almost 30 years. It is important to underline that re-election is one of those topics that every country has and that are more than a national sin.

The Ayuntamiento's members have the faculty of passing administrative regulations similar to Canadian By-laws, however, these regulations does not have the status of laws which means that can be quashed by the State Court if this body considers that the Ayuntamiento acted out of its specific faculties. For example, a local government cannot create a disposition that raises or diminishes taxes – that is a Federation's faculty. In relation with this situation, it is important to mention that most off a Municipality's budget comes from both, the Federal and the State governments. As we can imagine, this affects Municipal projects that sometimes cannot be concluded if other bodies do not give what the local government needs to finish a task.

Most of Municipal resolutions are decided by the vote of the majority of the Ayuntamiento, however, the Mayor/Presidente Municipal has exclusive functions. For example, he has vote of quality in case of tie voting. He also has the right of appoint all Senior Managers and most of Municipal employees. Moreover, he is directly in charge of the formulation of the Plan Municipal de Desarrollo or Municipal Strategic Plan, which must be in congruence with the National and State Strategic Plans<sup>84</sup>.

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<sup>84</sup> Ley Organica del Municipio Libre, Art. 70 fracc. XII.

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