

# Leadership models in Mexican businesses

## Modelos de liderazgo en empresas mexicanas

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#### ABSTRACT:

This paper aims to review the leadership model found in the Mexican business context. The paper identifies paternalism, marked by an authoritarian or authoritative top-down orientation that brooks little inference from underlings, as being most commonplace. It is asserted that Mexico will need to shed paternalism if it wants to climb into the vanguard of economic powers.

**Keywords** Enterprises, paternalism, leadership

#### RESUMEN:

Este artículo tiene como objetivo revisar el modelo de liderazgo que se encuentra en el contexto empresarial mexicano. El artículo identifica el paternalismo, marcado por una orientación autoritaria o firme de arriba hacia abajo que arroja poca inferencia de los subalternos, por ser el más común. Se afirma que México tendrá que quitar el paternalismo si quiere subir a la vanguardia de las potencias económicas.

**Palabras clave** Empresas, paternalismo, liderazgo

## 1. Introduction

There is no question that different cultures produce different types of leadership models. It is probably dangerously facile to think that any one culture will produce a monolithic type of leadership for business operations that is fixed and unchanging even in the face of various developments. Be that as it may, some leadership models do assert themselves more commonly in some cultures than in others, and those leadership models are undeniably predominant within their specific cultural context. With the above in mind, this paper looks at the paternalistic leadership model that consistently reveals itself in Mexico; it may even be called the general leadership model for the country. Such a model is strikingly congruent with some broad characteristics of Mexican culture and history. Key variables in all of this, suffice it to say, are the following: the family-owned nature of many Mexican businesses; their relative

lack of size and sophistication relative to businesses in some other parts of the world; educational levels (especially amongst women) that can prevent new voices from daring to speak up; and a general lack of professional acumen or management science that allows for new cosmologies or ontologies to be considered and conceptualized – and ultimately implemented. This research article recognizes that Mexico is a nation that still has in place a generic model of leadership that does not permit much in the way of non-paternalistic, and non-hierarchical leadership. But hope remains for the future, and that is where Mexico must focus its energies.

The background of this study essentially is fixated upon the philosophical orientation of Mexican business enterprises. In the 1917 Constitution, it was established that employers were formally obligated to offer housing for their employees. Likewise, since 1972, Mexican employers have been formally obliged, as per the imperatives of the National Housing Fund for Workers (INFONAVIT), to pay into the fund so as to ensure that accessible credit was available to workers for the acquisition of housing (Guerra Santin, 2008). If one goes back even further, to the very dawn of the twentieth century, there is tangible evidence of national legislation calling for workers' compensation for injured workers, while holding employers accountable for healthcare costs and enjoining them to provide a full salary for up to three months (De Búrca, Kilpatrick, & Scott, 2013). Ultimately, the 1917 Mexican Constitution enshrined in place the right to an education, to property, and the right to have certain prerogatives when under the employ of someone else (Serna de la Garza, 2013). It all sounds very insightful and magnanimous, but it also comes with a caveat.

Namely, the notion that the employer must care for his (or sometimes her) employees is rooted, in part, in a basic paternalism. This paternalism, as described by some academics, is the product of a culture that concentrates power at the top of a societal pyramid in which all (or most) critical decisions are made, and also the product of a culture that is inherently fatalistic and that perceives individuals as having little agency in their lives and little control over events (Pick & Sirkin, 2010). Thus, the employer becomes a parent, in essence, who provides for employees because they lack the capacity to provide adequately for themselves. Along the way, the employer also essentially makes all the decisions and assumes that his or her subordinates will meekly and dutifully follow orders. This is the background that defines, in many ways, Mexican business practices today: the employer provides, but the employer, because of some critical features of Mexican culture that have been perpetuated over time, also demands that employees fundamentally conduct themselves as children acting under instructions from their workplace parent.

In light of the comments above, the purpose of this paper is clear: it is an attempt to illuminate the general leadership model (to the extent that a singular, defining one can be identified and described) that distinguishes business operations in Mexico. There are, as one can imagine, numerous leadership models and theoretical paradigms that circulate within the popular academic literature. Goleman (2000) outlines at least six leadership styles that serve as models for leaders in business or organizational contexts; his path-breaking work will be looked at in greater detail as part of defining what constitutes the prevailing leadership model in Mexican business enterprises, and what does not. If nothing else, this paper will evocatively highlight that, because of the predominance of small and medium enterprises, and because of the family nature of many businesses, an insular paternalism often exists as the hegemonic leadership style. Consequently, business operations are defined by power asymmetries, and by a directive, top-down approach to decision-making. Goleman's work from 2000, because of its clear delineation of what constitutes coercive, authoritative, and pace-setting leadership, captures the salient features of the general leadership model that seems to animate Mexican organizations. He also effectively proffers the most cogent and succinct overview of the pertinent models or theories that seem to best rationalize and make comprehensible how senior managers interact with underlings.

## 2. Methodology

The methodology for this paper encompasses a clear review of the available scholarly literature as it coheres around the subject of leadership models and their applicability to the Mexican context. Qualitative as well as quantitative studies will be perused, and the criteria for evaluating the appropriateness of each and every source will be the ensuing: does the literature offer an insight or piece of information that is not readily found elsewhere? Is it a credible academic source either emanating from a peer-reviewed journal, scholarly monograph, or from an online source that cites data which can be found in government or academic source items? And is the literature recent, with materials and statistics that encompass either contemporary interpretations or insights, or that have been culled from leading contemporary scholars in the field? Through a comprehensive literature review, it seems inescapable that predominant and recurrent themes will manifest themselves frequently. And it also becomes manifest that Mexico, while not quite the monolith some might wish to paint it, does have a lingering anachronism in its business models that makes it difficult for hierarchies to be surmounted, for power distance to be overcome, and for underlings to contribute new ideas that might generate greater growth. In any case, the methodology delineated above is a useful starting point for a holistic investigation of business models and Mexican organizational practices.

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## 3. Literature review

Chapter To commence this literature review, some essential leadership models need to be brought to light and expounded upon. Goleman (2000) offers at least six leadership styles or models that have stood up well over time: 1) coercive leadership in which obedience is demanded and intimidation or authority claims are instituted as a means of compelling said obedience; 2) authoritative leaders mobilize people and leave little autonomy to underlings while shaping all activities and the ultimate goals and vision of each project or initiative; 3) affiliative leaders create emotional bonds and harmony and create a sense of unity and shared purpose that motivates in times of stress or heavy workloads; 4) pacesetter leaders demand excellence of themselves and of their subordinates, and model behavior and commitment that others beneath them are expected to embrace; 5) coaching leadership that emphasizes grooming subordinates for future posts within the firm; and 6) democratic leaders who build through consensus and participation (Goleman, 2000). It is Goleman's contention, at least in his 2000 work, that a mixture of these leadership styles should be used in the organizational setting insofar as different circumstances will demand different leadership behaviors (Goleman, 2000). However, when examining Mexico, the sense with which one is left is that only a few of these leadership styles are habitually used by Mexican senior decision-makers.

Scholars who have looked closely at Mexican business practices over time, and who have subsequently compared these practices to commonplace practices in similar industries in the United States, have remarked that Mexican managers tend to be more autocratic and paternalistic; those same scholars also note that this is consonant with the fact that Mexican culture is very much more a high-power-distance culture than the culture endemic to the United States (McFarlin & Sweeney, 2013). In effect, it appears evident that Mexican business culture, because of the abovementioned paternalism, is much more likely to embrace coercive, authoritative and pacesetter behaviors than democratic, affiliative or mentoring forms. Suffice it to say, that only aggravates the pre-existing power distance between leaders and their organizational inferiors, and contributes to less dialogue, less robust exchanges of ideas, and to less willingness to challenge long-standing rituals or habitus that might be actually out of touch with what is really required.

Beyond the architecture that Goleman has furnished for us, there are other broad theories of leadership that can be brought into the conversation to explain the general Mexican orientation towards leading in the workplace. There is, for instance, the archaic Great Man Theory of leadership that posits that outstanding individuals – primarily men – shape history with their

brilliance and transformational leadership. Some have also suggested that this theory has persisted into quite modern times in the form of transformational leadership conceptualizations that ascribe significant company turnarounds to the inspired leadership of brilliant mavens who proffer insights that no one else can. The career of Lee Iacocca at Chrysler is cited as one such example (Waite, 2008). Clearly, this theory seems to have a comfortable niche in Mexican business circles, even if not expressed or conceptualized as it might have been a number of decades ago, inasmuch as Mexican leaders do appear committed to a paternalistic and authoritative approach that reposes power and decisional influence overwhelmingly in the hands of the senior-most decision-maker or his (or her) favored coterie.

Trait Theory is another theory, somewhat more recent than the Great Man Theory, that is nonetheless remarkably similar to it. Essentially, this theory holds that leaders are successful because they possess innate traits – high intelligence, forcefulness, thoughtfulness, a sense of fairness, a capacious creativity – that are not possessed by most of the population. Situational factors are far less important than the instincts and unique talents of those at the top of the organizational pyramid (Adeniyi, 2007). As a close cousin to Great Man Theory, Trait Theory seems to be an implicit justification for the paternalistic and authoritarian approaches to leadership that senior business people in Mexico favor over and above business people in North America – especially the United States. While it is unlikely that most business managers in family-run businesses across Mexico expressly cite Trait Theory or Great Man Theory as an intellectual justification for their own privilege or primacy, there is little question that high-power-distance Mexico has integrated the core precepts of both of these theories (for the most part) into how its businesses conduct their affairs. If variables are of particular import to us, then the family-owned nature of many Mexican businesses – it is estimated that well over nine out of ten businesses in Mexico are family-run (Parker, 2005) – probably only aggravates the tendency towards the foregoing leadership styles or models insofar as the patriarchal figure sitting at the top of the family is *de facto* viewed with a measure of respect or even veneration because of his or her status within the home. Ultimately, paternalism is invigorated within the Mexican context because an archaic notion of the aforementioned theories, when married to patriarchal conceits, seems to undergird the idea that leaders should be followed and not challenged.

Closely related to the family-run nature of Mexican businesses is the fact that they, along with so many other Latin American enterprises, lack size and sophistication relative to their global competitors – a state of affairs that clearly puts them in a vulnerable position with regards to technology acquisition, best practices, and internal learning culture and adaptability (Grosse & Thomas, 2007). This reality can be aligned with the prevalence of paternalistic leadership styles, at least in the sense that some long-time observers are quick to note how cultural norms in Mexico and other Latin American nations tend to privilege deference, parochialism and excess paternalism (Johnston & Almeida, 2006). Considering that women's educational attainment has long been lower for women than for men in Mexico (Katz & Correia, 2001), it seems as though paternalism is aggravated to a still greater degree by the fact that many women in Mexican enterprises do not have the education – and accompanying self-confidence – to offer new ideas of their own. Thus, paternalism is aggravated and the business suffers needlessly. All of this, naturally, is married to the concomitant lack of professional acumen and management science that springs up when businesses are too small, too paternalistic, lacking in sophisticated human resources, and ignorant of optimal management heuristics.

There are additional variables which need to be taken into account when describing leadership models in Mexican business enterprises. Those variables include the following: size of the enterprise; the sophistication of the enterprise; the architecture of the company in terms of departments and supervisory hierarchies; the nature of the industry; the educational attainment of the senior individuals; and the internal culture of the organization and the role that familial dynamics play in the enterprise. These are all important factors, but the intriguing thing is that the literature consistently points to the same broad leadership model in Mexican

business concerns even when all of these aforementioned factors are accounted for. Chiefly, leadership in Mexico coheres around a conceptualization of the conventional nuclear family that puts 'father' at the top of the decisional chain of command, and grants him a degree of autocratic decision-making that would be seen as ill-considered or worse in many other cultures. But this state of affairs persists, and it distinguishes Mexico, for the most part, from its North American and European counterparts.

Before getting further into how the literature describes the paternalistic leadership model in Mexico, it is wise to look further at how some of the leadership styles emphasized by Goleman (2000) are described by other scholars, insofar as they will invariably have points of emphasis intermittently at odds with the points of emphasis raised by Goleman. Suffice it to say, each contribution offers a conceptual entrée into the task of illustrating the nature of leadership in the Mexican context and how infelicitous practices can be excised. All of them, in their way, and when viewed as a whole, capture how rigid and arguably narrow the Mexican model presently is.

For instance, the literature emphasizes the stubborn pervasiveness of autocratic leadership, a model in which senior decision makers concentrate power, legitimize their power through control over tangible rewards, and derive their standing from their position – and far less from personal ability or character (Daft, 2007). Daft (2007) especially emphasizes the use of control over tangible rewards as a key feature of autocratic leadership, which gives added weight to the idea that the paternalism found in many Mexican firms has a sharp-edged nature to it.

In any event, the democratic leadership model is exhaustively detailed by Woods (2005), but with a somewhat different accent than that found in Goleman's 2000 work. This interpretation of the theory holds that leadership should also be conceived as a practice and ritual wherein hierarchies are flattened – though not necessarily eradicated – and decisions are made collectively as part of a larger effort to involve all relevant stakeholders (Woods, 2005). The focus on stakeholders is a characteristic of Woods's treatment of the subject, and leaves one with the sense that one of the debilitating aspects of paternalistic leadership in Mexican enterprises is that not all of the relevant stakeholders are considered when vital decisions impacting their wellbeing are being pondered.

One style not so discussed by Goleman (2000) is the strategic leadership style. This style, for its part, creates a prescriptive set of habits and a learning culture that encourages strategic thinking from all members of the organizational team – but with the expectation that all members of the organization shall have a part to play in offering guidance vis-à-vis the direction of the organization (Adair, 2010). As OECD research makes painfully clear, the millions of small businesses in Mexico plainly lack strong strategic, financing and technical expertise to handle the challenges posed by a sophisticated and daunting global marketplace (Organization for Economic Cooperation and Development, 2008). Once more, the reason why certain leadership styles, even injurious ones, persist as they do is because Mexican elites and policy makers have not done enough to furnish aspiring entrepreneurs with some of the manifold skills they need to achieve success in a world that does care if underlings happen to think that Father Knows Best.

Another model, hitherto discussed, is transformational leadership. Goleman (2000) emphasizes pacesetter behavior (which seems a synonym of transformational leadership for all practical purposes) as being a leadership style distinguished by the leader creating a model for others to follow through his or her own exertions. Hood (2007) seems similarly predisposed, and stresses that his conceit of transformational leadership is essentially about leaders establishing an exemplary model through their own conduct and energy and vision. These leaders empower underlings and inspire others, by virtue of their own vigorous efforts, to strive for more and to achieve more (Hood, 2007). Hood (2007) departs somewhat from Goleman (2000) insofar as he especially underlines the empowering aspects of transformational leadership upon subordinate colleagues. Nonetheless, both academics are committed to the proposition that strong leadership is leadership that leads by example. It is not clear that Mexican business

leaders can boast of this given their ostensible penchant for coercive, transactional and authoritarian forms of leadership grounded in paternalistic habitus.

Facilitative leadership, is a new form of leadership not hitherto discussed. As per Williams (2013), it may be viewed as a process wherein leaders remove barriers to communication, provide resources, and expedite communication or auxiliary services designed to make life easier for those involved in taxing research projects or organizational initiatives (Williams, 2013). Since Mexican businesses are commonly constrained by hierarchical and top-down information flows and processes, it may be said that the idea of facilitative leadership is not a particularly popular one. This is a situation that will need to change.

Lastly, laissez-faire leadership styles revolve around allowing subordinates to make their own decisions and to carve out their own pathways (Marquis & Huston, 2009). Other leadership constructs, such as transactional leadership or charismatic leadership, even visionary leadership, can be considered, but they do not yield the same fertile terrain as those mentioned at length. Specifically, it shall soon be shown that Mexican leadership models do not involve a great measure of democracy, are very much autocratic (though with a paternal streak), and eschew facilitative and strategic leadership, as delineated above, in favor of an approach that makes the senior decision maker the final arbiter of what is meet and proper. The literature suggests that this model must be pushed aside for something better if Mexican companies are to reach their full potential.

When examining leadership models in the Mexican context, one can clearly see that the paternalistic, coercive – and also affiliative - approaches are favored in large part because of the small size of Mexican firms, and because so many of them are startups that have their roots in aspiring entrepreneurs. These entrepreneurs have a clear reason for embracing the above leadership styles within a country wherein SMEs face competitive disadvantages relative to North American rivals, must shoulder systemic vulnerabilities, and must confront the reality of high attrition rates (Aceves, Pérez, & Cárdenas, 2014). If they are pacesetters, then they are pacesetters who also bring a distinctly personal touch to their management styles, an approach which tends to be more commonplace in Latin (and non -Asian) societies (Bosch, Lee, & Cardona, 2013). Overall, the sense one takes away from the contents above is that Mexican leadership styles, like those found in Latin nations such as Colombia, are closely associated with the affiliative, yet coercive, and assertive – yet still paternalistic – characteristics underscored above (Robles Francia, Contreras Torres, Barbosa Ramírez, & Juárez Acosta, 2013). If one thing can be drawn away from any lengthy discussion of Mexican business leadership models, it is that any and all models invariably revolve around paternalism (Ramírez Solís, Baños Monroy, & Malpica Romero, 2013; Davila & Elvira, 2012). In short, the conventional Mexican business leadership model coheres around a combination of fatherly benevolence admixed with strong, even severe, discipline (Pellegrini & Scandura, 2007).

Interestingly, while paternalism does have a negative connotation in the American context, the reality is that recent quantitative research points to Mexican business leaders exhibiting greater emotional stability, social warmth, and (strikingly) a greater willingness to embrace change (Ojeda, Ree, & Carretta, 2010). This curiously flies in the face of other studies that tend to perceive Mexico as being a country that is slow to adopt new technologies and best practices – albeit the state is commonly held up as being a major reason for the nation's poor performance in this area (De Maria y Campos, Domínguez-Villalobos, & Brown-Grossman, 2010). It also suggests that Mexican leaders can be more personable while also being relatively less effective as leaders: one sweeping study, for instance, notes that Mexican business elites tend to place greater emphasis upon administrative skills than upon the conscious projection of, and development of, personal leadership skills (Murphy, 2006).

Although estimable in some respects, the aforementioned Mexican approach to leadership, its essential leadership framework or architecture, does present challenges – just as one might expect for any business context in which the business becomes a kind of family instead of an informal bureaucracy with comprehensive legalistic underpinnings. One possible issue that

arises from this familial approach to doing business is that Mexico is widely perceived as a nation wherein intellectual property rights are only imperfectly recognized – to the extent they are recognized at all (Chacon, 2013). At the same time as it is a business culture that celebrates leadership models which place a premium upon treating the company as a family, it should be stressed that Mexican culture does not appear to be as robust in its support (speaking relatively) as other societies that more assertively celebrate the merits and glories of variable pay and unequal material acquisition (Murphy & Ling, 2012). This last point warrants its own paragraph.

Chiefly, the matter above is a subtle, sociological distinction, and it must be treated with care, but Mexican society is not at all like American society in the sense that individual striving and acquisitiveness – including generous awards for novel products which fall under the aegis of intellectual property rights – are treated with less reverence. Because they are treated with relatively less reverence, it may be argued that it is comparatively easier to subordinate the interests of the individual – specifically, the enterprising and ambitious subordinate – to the broader interests of the corporate family. Put another way, even as the Mexican business leadership model allows a greater space for paternalistic and supportive mechanisms, it also provides comparatively less space for the recognition of individual excellence – at least by those who operate below the level of senior executive leadership and who want recognition of, and remuneration for, their innovativeness and creativity. The irony of such an approach to leading and managing an organization is that case studies from Mexico inextricably link business sustainability to bolstering and championing stakeholder motivation and engagement (Duran-Encalada & Paucar-Caceres, 2012). In an age when Mexican businesses must grimly bear the challenges imposed by globalization, an internal learning culture and education-driven institutional management (Khan & Trevino-Martinez, 2012) should comprise the bedrock of any Mexican leadership model. There is tentative research that Latin American business leaders are increasingly aware of the value of employee emotional gratification in ensuring healthy profits (Pérez la Rotta & Campos Herrera, 2011), but the paternalistic, authoritarian and top-down approaches favored by many Mexican firms – most especially, it would seem, those that are family-run or dominated – seems to leave little interstitial space for a multilevel systems model of leadership (Kinicki, Jacobson, Galvin, & Prussia, 2011) that allow the alignment of organizational and individual goals without the complete subjection (and even effacement) of the individual under the heel of the company.

At this juncture, it seems plain that the literature is nudging towards the notion that Mexican business leadership models cohere around a paternalistic, hierarchical, reified, somewhat authoritarian, and markedly inegalitarian approach that allows space for tutoring and mentoring, certainly allows space for affiliative approaches and appeals, but also privileges asymmetries that risk effacing the individual in favor of the organization. But it must also be said that Mexican business models in terms of leadership do not exist in stasis but in constant evolution. As it stands, Mexican corporations are progressively more invested in environmental and sustainability projects than previously (Vargas et al., 2017), but the Mexican business climate – particularly as it pertains to the realm of entrepreneurship – remains marred by research deficits, shortfalls in high technology, and inefficient or wanting technology transfer (Cantu-Ortiz, Galeano, Mora-Castro, & Fangmeyer, 2017). Deficits of this sort cannot automatically or reflexively be associated with business leadership models – there is much at play here – but, considering the unmistakable dynamic produced in Mexican SMEs by the uneasy relationship between family ties on one hand, and actual professional competence within Mexican family businesses on the other (Huerta, Petrides, & O'Shaughnessy, 2017), it may be contended that paternalistic imbrications vis-à-vis business practices can lead to leadership models that thwart the full professional growth of subordinates while frustrating the pursuit of objective measurements and progressive practices. In fairness, and to expand upon a point first noted elsewhere, just as consumer purchasing preferences in a developing nation such as Mexico differ markedly from the purchasing trends found in a developed land (Jiménez & San-Martín, 2017), so too does the relative impoverishment of Mexican society, and the

relative vulnerability of its businesses, make it more likely that authoritarian, top-down and paternalistic business leadership models will flourish in the Mexican context. Such a proposition is supported by the conclusion, found in some of the literature, that Mexican subordinates in the Mexican context are more dependent upon direction and unambiguous instructions from superiors than are Spanish workers, primarily because the difference in power distance and asymmetries in Mexico is substantially more pronounced in the Mexican workplace (Urien, Osca, & García-Salmones, 2017). Curiously, Mexican university students who have been studied academically reveal a strong linkage between the free and productive use of personal time with individual well-being (Ayala, Flores, Quintanilla, & Castaño, 2017). It remains to be seen if the desire on the part of young professionals for agency in the utilization of personal time will eventually lead to a collision between these ideals and the aforementioned prescriptive, paternalistic power distance at the heart of Mexican corporate culture.

Moving along, the prevailing leadership model in Mexican society is one that creates a family architecture for the workplace when a more impersonalized business context might actually be of greater benefit. Particularly, research consistently shows that Mexican culture, including its business culture, is more collectivist and much more driven by loyalty than anything found in the United States. That sounds wonderful, except that, far more so than in the US, productive employees are not treated with the same high regard as they are in the US since many Mexican employees will accept, even eagerly, jobs that pay low rates and that offer meager benefits (Goodman, Hu, & Steinberg, 2017). In a real sense, just as there is much unpaid labor in the family home, there is also a comparable wage suppression in the paternalistic Mexican workplace. Being a member of the workplace family may mean that one receives micro-loans or additional support from the head or boss of the firm, but it also means that one receives a wage that would probably not be tolerated in a more formal, bureaucratized environment wherein loyalty or obligation is no match for the Almighty Dollar. Without belaboring concepts and ideas already discussed in some detail in previous sections of this literature review, it is sufficient to underscore that Mexican business leadership models in the workplace emphasize strict hierarchy, masculine predominance, change avoidance, absence of ambiguity as far as roles are concerned, and rigid power distance (Rodriguez, Ramos, Munoz, Ibarra, Lemus, & Steinberg, 2017). The leadership model in Mexican companies does not, in truth, allow for much in the way of anything other than a paternal configuration that brooks little challenge from subordinates and, presumably, even less challenge from female subordinates. As a further addendum, individuality is additionally undermined by the Mexican preference for working in groups and for accepting a strict architecture of rules as the necessary price for ensuring comity and peace (Alonso, Koon, Moore, Marroquin, & Steinberg, 2017).

The available literature suggests that, while Mexico may very well have paternalistic leadership models in place, it does appear sensitive to giving women more power and control. For instance, the organic coffee industry is an important industry in Mexico that is seeing women assume increasingly important leadership positions – though domestic burdens continue to be disproportionately shouldered by them (Lyon, Mutersbaugh, & Worthen, 2017). Given as gender egalitarian societies tend to actually view men more positively than those that are not (Krys et al., 2017), it is possible that romanticized views of women, to the extent they exist in Mexican culture, will give way to a more realistic appraisal that allows professional women the time and space to pursue their professional objectives without concern about negative reception. This spells doom for the archaic paternalistic approach, not least of all because growing data makes it plain that the critical distinction between Mexican firms that survive the rigors of trade liberalization and globalization is that winning firms possess skilled and visionary businesspeople with entrepreneurial talent and sufficient drive (Leroy-Beltran, Haar, & Beltran, 2005). Gender appears to have nothing to do with it. What matters most is service leadership (Chowdhary & Saraswat, 2004) which are skills which can be learned regardless of gender.

As this literature draws to a close, it is manifest that the small, family-orientated business enterprise that seems to define Mexico is profoundly tied to why Mexico has such a predilection



for paternalistic leadership models in the business context. For one thing, the marked Mexican penchant for small, family-created businesses means that they are spearheaded by senior decision makers who concentrate power, centralize authority, and establish clear hierarchies that privilege their senior station (Vega Aguirre, 2008). And, suffice it to say, a general lack of expertise can make it difficult for such firms to pursue novel or innovative approaches to new challenges (Avery, 2005). When assessing the leadership model that predominates within Mexican companies, the family approach, rooted in deep cultural and sociological wellsprings, seems to have been almost preordained.

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## **4. Results**

The results of this study clearly show that Mexico has a leadership model that expressly embraces a paternalistic approach to doing business. And, as if that is not enough, the literature shows that such an approach thwarts creativity, bottom-up communication, frustrates facilitative and collective decision-making approaches, and arguably forestalls – or even prevents – transformational leadership and path-breaking visionary leadership. Mexico is a nation that still believes Father knows best – or Mother, as the case may be. But this style of leadership prevents new ideas from being formed, frustrates innovation, and cripples an organization's ability to adapt new techniques, new technologies, and new ideas. Even brilliant entrepreneurs will, eventually, reach a point where new changes overwhelm them, or they simply cannot think with the fluidity, flexibility and capaciousness needed to deal with new vicissitudes in a business world that does reward the aggression, quickness, and imagination of youth. The Mexican model works well for a country that needs its business community to provide what the state cannot. But, in a world dominated by Western notions of austerity, neo-liberal globalism, and bureaucratic impersonality, Mexico is striving to maintain a leadership model that seems out of step with the times. Facilitative leadership, collaboration, democratic and consultative approaches, flattened hierarchies, and transformational stewardship – these are the true components of successful business management in the twenty-first century. Mexico's business elite need to accept and integrate this reality into their business models if they want to achieve more lasting success.

### **4.1. Limitations**

This paper is a comprehensive review of the extant literature as it pertains to leadership models in Mexican business concerns. Future studies are encouraged to pursue large-scale questionnaires and surveys in an effort to identify the evolving sentiments of Mexican business elites with regards to optimal business leadership models. Additionally, the paper does lack a primary, quantitative and statistical foundation that would make it easier to identify what factors or variables make it possible for the paternalistic model of leadership to persist into the twenty-first century.

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## **5. Conclusions**

To conclude, this paper has been an exhaustive attempt to identify if Mexico truly does have a definitive leadership model that defines and distinguishes its domestic firms. While there will always be subtle distinctions, it seems evident that the country has a paterfamilias approach to business decision-making insofar as the person at the top of the organizational pyramid is the person who wields vast power, makes the tough decisions, and asserts predominance over strategic vision. As touched upon at length already, such an approach undeniably presents significant challenges because of how it debilitates idea exchanges, discourages subordinates from offering new ideas, and leaves individuals with a sense that it is essentially better for them to not be ambitious and to not take a proprietary interest in the firm's long-term future. For the sake of Mexico's competitiveness moving forward, a new approach seems to be in order, and long overdue.

To elaborate still further, Mexico seems to have far too many enterprises that lack the conceptual sophistication and heuristics to break free of a paternalistic business model. The only way to overcome this, it appears, is through some sort of mentoring or educational initiative that exposes more fledgling firms to non-coercive and non-authoritarian approaches to leadership. By recognizing that there are numerous strategic tools that can be used to achieve optimal performance on the part of subordinates, Mexican firms can encourage better idea exchange, reduce employee attrition, harness the ideas and talent of women, and identify fresh perspectives as they exist amongst front-line staff who must bear the burden of poorly-considered organizational ideas or strategies. The predominant leadership style or model in Mexico is paternal in its very orientation, but more enlightened options are available that can give leadership a wider array of tools for combating internal problems and external hurdles or challenges.

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