

RESOURCE ALLOCATIONS DECISIONS IN MEXICO AND THE U.S.: A CROSS-CULTURAL PERSPECTIVE

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ABSTRACT

A comparison of distributive justice strategies and resource allocation decisions was made between a collectivistic culture and an individualistic culture. This study is the first to include the effect of ingroup/outgroup on the distribution strategies as Fischer and Smith [4] called for in their extensive meta-analysis of the topic. Distributive justice was operationalized as the monetary rewards given by Northern Mexicans and Americans in sixteen different allocation vignettes. The results indicate a convergence between the cultures of Mexico and of the United States. Rogers' [6] diffusion of innovation model was used to explain this convergence.

DISTRIBUTIVE JUSTICE AND RESOURCE ALLOCATION DECISIONS

How people decide to distribute or allocate resources has long been an area of interest and debate. In essence, this is the concept of distributive justice, which deals with the distribution or allocation of conditions and goods, as well as the antecedents to those distributive decisions [2]. Cross-cultural differences in resource allocations becomes even more important as our organizations become increasingly global [4]. The cultural context can have important effects on distributive strategies. Distributions that are appropriate for one cultural context can be inappropriate or maladaptive for another.

A critical value that varies cross-culturally, and one that is relevant to both Mexicans and Americans, is individualism/collectivism. Americans tend to be very individualistic [5], and this individualism is characterized by a concern for personal autonomy and an emphasis on individual attitudes and goals [8]. Collectivism, in contrast to individualism, is characterized by an emphasis on group needs and goals and the pursuit of harmony [8]. Mexican culture manifests many of the characteristics of a collectivistic culture. This paper will compare distributive justice strategies in an individualistic culture, i.e., the United States, with those of a collectivistic culture, i.e., Mexico.

In this research we include an explicit manipulation of the in-group/out-group concept. Ingroup/outgroups are another component of the differences between individualistic and collectivistic cultures. The importance of family and friends, also known as the ingroup, is a defining characteristic of collectivism. Because of their concern for ingroup goals and interpersonal harmony, collectivists may feel compelled to make equal or egalitarian rewards within their ingroups. In contrast to collectivists, individualists tend to display less variance between their ingroup and outgroup behavior [8]. Individualists' ties to their ingroups are weaker, and they will leave these groups if too many demands are made of them [8]. Because they often move from group to group, individualists have greater empathy for outgroup members, and their behavior is more universalistic in that they apply the same rules and standards for both ingroup and outgroup members [7]. Given their empathy for outgroup members and their universalistic tendencies, it is reasonable to expect that individualists will display less ingroup favoritism than collectivists in situations which require allocations to both ingroup and outgroup members. It is also reasonable to expect that, when allocating solely to outgroup members, individualists will have some interpersonal concerns and will allocate more equally than will collectivists [3].

METHODS

The data was collected from a border city in Northern Mexico and from a moderate-size city in the Southeastern United States. In the U.S. there were 98 respondents out of 181 surveys distributed for a response rate of 54.14%. In Mexico there were 77 respondents out of 178 surveys distributed for a response rate of 43.26%. A total of sixteen reward allocation vignettes were used to measure distributive justice tendencies. The sixteen vignettes were created through crossing four levels of performance differences and four ingroup/outgroup combinations for the workers.

RESULTS

There was only one significant difference between the Mexican and American allocations, and that was under the ingroup*/outgroup (*indicates higher performer) condition of high negative performance differentiation (i.e., one average performer and one performer much below average). When compared to Americans, Mexicans did not tend to reward more equally (i.e., by giving less to the higher performer) when both allocation recipients were ingroup performers. When compared to Americans, Mexicans also did not tend to reward more equitably (i.e., by giving more to the higher performer) when both allocation recipients were outgroup members. Finally, Mexicans did not reward ingroup members more than Americans did when the allocation recipients were mixed (i.e., one ingroup member and one outgroup member).

DISCUSSION

Contrary to expectations, the allocation patterns of Americans and Mexicans in this study were, by and large, very similar. Both of these groups tended to be very equity-oriented in their allocations. This pay-for-performance perspective was entirely expected in the American sample. Similar results, however, were not expected for the Mexicans, who live in a more collectivistic society. The explicit inclusion of the ingroup/outgroup dimension did not have much of an effect

on the relationship between individualism/collectivism and resource allocation as expected [4]. Another possible explanation for our results is that these results are evidence that the managerial philosophies of the Northern Mexicans may be slowly converging with those of the United States.

The diffusion of innovation paradigm seems particularly useful in explaining this convergence between the Northern Mexican and American cultures. The Diffusion Model [6] introduces the hypothesized processes whereby Northern Mexicans have adopted American management principles. One of the underlying assumptions of the Diffusion Model is that American management principles and techniques, such as the use of equity allocations or pay-for-performance, represent an innovation to Mexicans, with expectations of increased productivity and organizational competitiveness upon implementation.

Overall, the bulk of the evidence seems to indicate that Northern Mexicans and Americans are becoming more similar in their allocation strategies. A major implication of this finding is that the need for multi-national corporations to adapt their compensation (and perhaps other managerial) policies may be diminishing. Although management scholars have continually warned of the need to adapt to the local context [1], this necessity may diminish over time wherever cross-cultural interchanges are prevalent.

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