XI Congreso Internacional
Academia de Ciencias Administrativas A. C.
(ACACIA)

SOCIAL NETWORKS AND EMPLOYMENT PRACTICES IN MEXICO

Mesa 12: Liderazgo, Capital Humano y Comportamiento Organizacional

By

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22 al 25 de Mayo de 2007
The purpose of this paper is to extend the social networks perspective by including a cultural values perspective to the study of social ties in the Mexican context; and, to use the social networks perspective’s lens for understanding employment practices in firms in Mexico. Horizontal and vertical networks, in and outside organizations, depend on a set of ties that are shaped by certain work values. Identifying the cultural meaning of ties that form social networks would help us understand a local interpretation of employment systems. The paper concludes with seven suggested theoretical propositions for further research.
Economy and business organizations in Latin America have been characterized as embedded within the larger societal system based in complex kinship social networks (Elvira & Davila, 2005; Jones, 2005; Martinez & Dorfman, 1998) composed of compact and homogeneous social groups that are reproduced over time by means of cultural values—e.g. political and labor class (Camp, 1988; Davis & Coleman, 1986; Murillo & Schrank, 2005). Under this societal structure, organizational practices obtain special attention for research. In particular, we are interested in employment practices in firms in Mexico.

Research in Latin America has shown that human resource (HR) practices are highly influenced by strong-tie social networks—kinship composed of relatives and close friends, or colleagues of the same socioeconomic group (Elvira & Davila, 2005). We know, for instance, that staffing practices are primarily based on employees’ referrals, and these include relatives and close friends that belong to the same socioeconomic group (Davila & Elvira, 2005; Hualde, 2001). The Mexican National Statistics, Geographic and Informatics Institute (INEGI in Spanish) reported in the 2006 third trimester that 55 per cent of the total salary-based employees obtained their actual job through friends or family relationships (Rivero, 2006).

The current perspective on social networks proposes that weak ties—composed of distant acquaintances with sporadic personal contact—act as bridges between strong tie networks and make it easier for individuals to interact in the larger social system and become part of modern society. Because of this, the role of weak ties becomes instrumental, specifically for social resources exchange—e.g. information about prospective jobs (Granovetter, 1973, 1983) or access to people in power (Lin, 1982, cited in Bian, 1997). This perspective is frequently used to understand labor markets (e.g. Montgomery, 1994) or the ways in which individuals obtain jobs (e.g. Brown & Honrad, 2001). The main assumption here is that labor markets are subordinated to market asymmetries, and the information necessary for individuals to search for jobs is offered through informal mechanisms such as social networks. Nevertheless, few studies examine social networks that exist inside and out of organizations and their relationship with formal HR practices (Castilla, 2005; Fernandez, Castilla & Moore, 2000; Petersen, Saporta & Seidel, 2000). There is little attention given to the value
relating concepts of how an individual searches for a job—e.g. strong versus weak ties—to hiring practices within firms.

Empirical studies on social networks perspective shows contradictory results in contexts different from those of market economies. In Asia, for example, strong ties are most effective for people who are searching for jobs or want job mobility. Weak ties, in contrast, are a means for the exchange of other social resources, such as access to people of different social strata or hierarchical levels (Lin, 1982; cited in Bian, 1997). In this societal context, the phenomenon is related to a cultural value system that encourages the development of interpersonal connections and their use during the process of job searching (Bian, 1997; Bian & Ang, 1997). In Mexico, we can observe evidence along this line.

Although international research on social networks saved the hypothesis that the strength of strong ties is necessary for job searches and job mobility (Bian, 1997), its treatment is still structural. That is, little attention has been given to the cultural perspective of ties. Therefore, the purpose of this paper is twofold: to extend the social networks perspective by including a cultural values perspective to the study of social ties in the Mexican context; and, to use the social networks perspective’s lens for understanding employment practices in Mexican firms.

This paper is divided in three parts. First, we offer a general discussion that focuses on social networks and their relation to the labor market and employment. In the second part, we approach social networks’ perspective from a cultural view. In the last part, we discuss a set of theoretical propositions in order to provide general guidelines for the study of employment practices influenced by the socio-cultural structure of the region: staffing and promotion.

Social Networks Perspective

The current perspective on social networks offers an integral and dynamic framework for studying organizations (Monge & Contractor, 2001). Research on this perspective shows that organizations’ social structures are governed by social networks that emerge from the continuous interrelation of organizational members. This
perspective also indicates that social networks are not stable or permanent entities, but dynamic ones that are created differently in each interaction among individuals. Therefore, this perspective changed from studying the social network as an entity to the tie that links the individuals in the network, as well as the elements of the organizational environment that activate it, such as actors—individuals or institutions (Granovetter, 1973, 1983; Monge & Contractor, 2001; Wellman, 1999). Thus, the challenge is to understand not only the structure of social networks through their ties, but also, the diverse processes of structuring the network according to the types of ties involved.

What types of ties are central to social networks? Wellman (1999) identified four types of ties: relatives, friends, acquaintances, and colleagues. These types of ties offer clues for studying the structure of social networks and their ties together to the greater social system and, therefore, their purpose. For example, by identifying the pattern of ties that link the diverse social actors, we can understand when family circles or casual acquaintances are substituted for each other or linked to help individuals find jobs or achieve a promotion within an organization.

Granovetter (1973) proposed that ties vary in their strength. An individual has strong ties with a personal contact if the relationship is characterized by a high frequency of social contact, emotional intensity, intimacy, and reciprocal service. Weak ties are made up of distant acquaintances, which imply fewer probabilities of social involvement than with our intimate friends or close acquaintances—strong ties. Social networks made of weak ties form a low-density network, that is, a network in which the possible relational lines are absent. In contrast, networks composed of strong ties form a dense and closely-knit network—with many relational lines present—usually comprised of close friends (Granovetter, 1983).

Granovetter’s (1983) main thesis is that weak ties function as bridges among strong ties networks when these transmit information among individuals. Therefore, an individual with few weak ties has a high probability of remaining isolated, deprived of information from the distant parts of the social system and confined to the information provided by his or her close friends. Individuals that maintain strong ties are very similar among themselves and this makes individuals in the network project the same status quo. In this way, groups may close themselves off and the society becomes fragmented
because of a lack of communication or exchange mechanisms within the greater social system.

In summary, for Granovetter (1983) weak ties form the social mechanism for the integration of individuals into modern society. From this thesis, stems the proposal that weak ties have a particular strength and individuals use them to search for and find jobs. We found very few studies that examine social networks that nurture the effectiveness of employment practices within firms (e.g., Castilla, 2005; Fernandez, Castilla & Moore, 2000; Petersen, Saporta & Seidel, 2000). There is little attention given to the value relating concepts of how an individual searches for a job—e.g., strong versus weak ties—to hiring practices within firms. In the next section, we explore this issue.

**Social Networks and Employment Practices**

Granovetter’s (1973, 1983) work has stimulated a great amount of studies on the labor market, particularly those related to the way individuals search for jobs as well as how firms promote their job offers through referrals from their employees’ social network (Castilla, 2005). The premise behind this practice is that, through referrals, there is a greater flow of information between the organization and the employee, providing the future employee with more exact information on the job to be performed (Castilla, 2005). The method of hiring based on referrals is so highly used by firms to the extent that it is suggested that companies are gaining social capital (Fernandez, Castilla & Moore, 2000). Once firms know how individuals search for and find jobs, they could design staffing practices in a more efficient relationship with the labor market.

Research on job search practices through social networks has been practically instrumental (Granovetter, 1983). That is, social networks ties that help in a job search process function because of the great amount of information they carry on about the job and the organization. In this structural dynamics, the tie that best activates the social network is the weak one of casual acquaintances (Catilla, 2005; Granovetter, 1983; Fernandez, Castilla y Moore, 2000). In this way, weak ties become the mechanism that facilitates the exchange of resources—e.g., information—among personal social networks, a function that we call instrumental.
One of the most important challenges in this instrumental view of ties is to learn who is involved in the social network and how people obtain access to the network. It would seem that in societies with market economies minorities—e.g. by race or gender—either lack access to the networks or knowledge of how to use them in order to successfully search for jobs (Petersen, Saporta & Seidel, 2000). In this vein, it could be of vital importance that unemployed individuals share information on difficult matters such as loss of a job with their intimates—strong ties—so that these contacts could connect them to their weak ties in order that the unemployed can find jobs; this dynamic is even more necessary in declining industries (Brown & Konrad, 2001). It could be possible that this phenomenon occurs in societies with market economies because of the absence of a cultural tradition which cultivates close or distant personal relations that connect individuals beyond their social boundaries or between hierarchical levels in organizations. This cultural tradition could be found, however, in other societies with different type of economies, such as in Asia.

In Asia, the term *guanxi* is given to the set of interpersonal connections that facilitate the exchange of favors between two people. Bian (1997) and Bian and Ang (1997) explained that guanxi has cultural roots and is used in this region with the understanding that a moral principle operates behind it. Both in China and Singapore, guanxi is based on a personal relationship cultivated between two people over a long period of time, so that familiarity and intimacy are developed mutually, making a strong tie relationship based on trust and not necessarily through family bonds. The principal characteristic of guanxi is reciprocal obligation; that is, guanxi has a personal relationship which allows an exchange of valuable resources or emotions, if needed. Since guanxi is between two people, this relationship can develop in any social sphere in which two people are involved, such as neighbors who become uncles or aunts or masters and apprentices who become parents and children. The moral principle of reciprocal obligation is to provide help in case either of the two members in the relationship requires it, and to provide this help in the same way you would give help to a family member. When one helps the other person in a guanxi relationship, the helper is seen as trustworthy, and the helped acquires the obligation to return the favor. If the
helped person refuses to assist the other, he or she loses the trust of the rest of society, as well as access to all the resources belonging to the guanxi social network.

Because of this cultural characteristic, social networks in Asia are made of tie structures which are somewhat different from those proposed by Granovetter (1973, 1983). Specifically, in guanxi, ties acquire a cultural content of mutual obligation and help, cultivated over the years which encourage familiarity and intimacy between two people. The strong tie of the guanxi provides the means to change jobs in China, where the state economy governs and there is no labor market (Bian, 1997; Bian & Ang, 1997). Bian and Ang (1997) found the same result in Singapore, in spite of the fact that there is a labor market there. In both case studies, guanxi was the means that facilitated the exchange of other social resources such as the power or influence to offer access to people of different status. This is the principal thesis of Lin (1982, 1990; cited in Bian, 1997): other social resources, such as power, quality of life, and prestige, are also exchanged by weak or strong ties networks.

Up to this point, we have explained the theoretical principles of social networks when they are related to employment systems in the United States and Asian economies. Empirical studies maintain that in market economies, weak ties help an individual find a job, and organizations encourage their employees to recommend their acquaintances to fill vacancies. Once firms know how individuals search for and find jobs, they design employment practices in a more efficient relationship with the labor market. By contrast, in state economies or kinship societies such as in China and Singapore, strong ties based on cultural values of mutual obligation, are the most useful means for job mobility—information on jobs is irrelevant in the Chinese society because of the absence of a labor market. Our first objective is to study the cultural content of ties through studying Mexico, which will be explained in the following section.

Social Networks in Mexico: A Cultural View

The social networks perspective is particularly useful for the analysis of Mexican organizations and their practices because they play a vital role in daily life in societies in the region. Anthropological studies suggest that neither businesses nor governments
can satisfy the needs of citizens, so individuals must find alternatives to fulfill their needs (Lomnitz, 2001). Specifically, social networks exist inside and out of organizations and facilitate the functioning of formal bureaucracies because such bureaucracies cannot satisfy the needs of their employees (Espinoza, 1999; Lomnitz, 2001).

Organizations that consider social networks in the design and administration of their practices could be confident that they are investing in the social capital of their employees. Fernandez, Castilla and Moore (2000) argued that social networks produce social capital and this means that networks have a “value” and this should be translated into a real economic “value.” From this point of view, survival of an isolated individual in Mexico is not possible, and people need to depend on others for economic and social support (Gonzalez de la Rocha, 1994; cited in Beall, 2001), regardless of the socioeconomic level of the individual (Lomnitz & Perez-Lizaur, 1987). It is, perhaps, the social capital produced by ties that attract a Mexican to stay in or depend more on social networks than to trust what institutions offer for the development of human capital to face daily life, take advantage of opportunities, and reduce environmental uncertainty (Wellman, 1999). The lack of strong and interconnected institutional environment could support the theses that this type of social structure based on strongly tied social subgroups results in a socially disintegrated economy (Davis & Coleman, 1986).

However, we believe that social networks in Mexico cannot be simply explained from an institutional perspective because this would assume that institutions alone determine the cultural values in these societies. Inglehart and Carballo (1997) criticized that, on many occasions, a determining institutionalism is used to explain national cultures, which implies that if one changes institutions, the culture will change automatically in order to fit the new institution. These authors demonstrated how many societal values persist as cultural heritage because they are related more to the historical development processes that influence institutions. This argument is supported by research on the evolution of societies, especially industrialized ones.

Inglehart and Carballo (1997), as other researchers (e. g. D'Iribarne, 2001), recognize that a common cultural concept means that a given group of people tends to share a complete world view, which manifests a distinct coherent pattern of values on a range of different topics. Thus, it is not surprising to find that Mexicans have similar
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points of view on one topic or another. In synthesis, to understand the world view of a specific people and its implications on daily life, a deep knowledge of the history and culture of a given society is needed. The case in point here is Mexico with a culture developed on an anthropological principle of kinship and not (primarily) on the principle of the market (Jones, 2005; Lomnitz, 2001).

Although compadrazgo, a social relationship based on a didactic informal contract among relatives or friends, has been identified as a cultural trait of the Chilean urban middle class (Lomnitz, 2001), in Mexico can be found in all socioeconomic classes and is institutionalized by fictitious kinship established through baptism or marriage. In this sense, compadrazgo in Mexico converts over time weak ties into strong ties (Wilson, 1998). However, Mexican middle classes, depend to an unpredictable degree on their social relations. Reliance on personal relations generates a kind of sociability that avoids open conflicts, except when corporate interests are involved (Lomnitz, 1999).

Compadrazgo relies on a reciprocity system that consists of a continuous exchange—giving and accepting—of favors framed in a friendship ideology. The friendship ideology is egalitarian: anyone can have friends. Compadrazgo is a tacit cultural system of mutual help. This cultural trait can be found in an economic class that has the means for favors retribution. Therefore, this relationship occurs among equals of the same social class: One that needs a favor approaches the one that can provide it. It is a way of social solidarity for group surviving (Lomnitz, 2001). Social networks in developing countries are structured under this same principle (Fafchamps, 1992).

Lomnitz (2001) classified three types of favors exchange in a compadrazgo relationship: employment, school admission, and political access. Additionally, there are favors that cannot be obtained through this relationship: those that are considered against the ideology of a friendship and morality because this degrades the idea of friendship to complicity.

Bureaucratic favors consist of preferential treatment of an individual against the rights or priorities of a third party. These favors are used in order to obtain something easily and in less time. Asked and given favors are legal, although means to obtain them are not necessarily. Favors are given and accepted in the spirit of friendship without guilty feelings. The individual that makes the favor is conscious of the benefit he
or she would obtain in the future through a reciprocal favor. Then, what matters is to have as many relatives and friends in a variety of different organizational positions and organizations (Lomnitz, 2001).

Reciprocity rules vary according to the degree of trust and social distance among individuals. Failing to comply with these social rules, could cause social sanctions that are stronger than sanctions in written contracts (Lomnitz, 2001):

1. It is considered dishonest not to return a favor.
2. Favors are asked moderately because one would accumulate obligations that will have to be paid back at any time.
3. Asking for a favor includes personal sacrifices because moral pressures are high.
4. In order to make a relationship last, one learns to ask for a favor sporadically.
5. Favors are not tangible gifts. They exclude any monetary payments and other types of material compensations. Doing this is considered a personal offense among equals.
6. One does not ask for a favor, one insinuates it.
7. One does not ask a favor to an individual that does not have the resources.
8. One does not disturb a powerful individual with trivial favors.

Next, we briefly review Mexican societal values that we consider are related to the economic development of the region and are the content of social networks ties.

*Values, Ties, and Economic Development in Latin America*

The functional perspective of social networks—instrumental—provides evidence that Mexicans rely on them for economic survival (Gonzalez de la Rocha, 1994; cited in Beall, 2001), for finding jobs through relatives and acquaintances (Espinoza, 1999; Hualde, 2001) and for doing business (Lomnitz & Perez-Lizaur, 1987; Martinez & Dorfman, 1998). This makes us think that in Mexico, there is a coherent social pattern of cultural values related to the economic development of the region. We analyze the value of the family and the value of authority and power.
Value for the Family

In Mexico, ties characteristics acquire contrasting dimensions. For example, Granovetter (1983) defined the strength of ties that are either comprised by close friends, or by distant acquaintances; in Mexico both the nuclear and extended family plays an outstanding role in all aspects of economic, social, and political life (Camp, 1989; Davila & Elvira, 2005). The family is the social structure for a Mexican to develop, because he or she will need community support to reach maturity as an individual (Paz, 1950; cited in D'Iribarne, 2002). A study derived from the Globe project, Ogliastri, McMillen, Altschul, Arias, Bustamante, Dávila, et al., (1999) found that Latin American family collectivism and group loyalty to be among the highest in the world. Because of this, we propose that the main actors of ties in the region are family members, either nuclear or extended.

The Mexican family is classified as nuclear, extended, and compound. The first includes a couple with or without children, or parents with children. In extended homes, the nuclear family adds other relatives, such as grandparents, nieces, nephews, mother-in-laws or mothers. In compound homes, relatives live together with non-relatives of the head of the family. Eternod (1996) reported that in Mexico, most homes are formed of nuclear families.

Another structural characteristic of societal ties in Mexico is the development of horizontal networks, that is, those ties among individuals of the same socioeconomic group. This second trait is intimately related to the structure integrated by family bonds in a social network.

Without a doubt, family businesses are the principal engine of industrial development in the region. Traditionally, the great Mexican family business was considered closed, conservative, and its way of organizing business was based on kinship (Andrews, 1976; Saragoza, 1988; Sargent, 2001). Economic historians study family dynasties of large Mexican firms with such precision that they have discovered that they are characterized as having elements of a modern administration. They are open to professional management in top positions as employees or by converting them
into sons-in-law. When top executives become sons-in-law, these professional managers acquire the same responsibility and prestige as other members of the family. Another important characteristic of Latin American family businesses is the education of family members. Family members have higher education degrees in management and engineering from universities of high international prestige. Therefore, these people are trained in modern management and production techniques, and this advanced training is what is required to aspire to command many of the big economic groups of the region (Hoshino, 2005; Sargent, 2001). Finally, family members are active members of society and maintain communication with members of other prominent family businesses through cross-marriages or social organizations such as the country club, which generally denies access to members not belonging to prominent families.

What is particular about the big Mexican family businesses is that in spite of the opening identified by economic historians, we can see how that opening continues to be horizontal, that is, in the same socioeconomic group. This reinforces the value of maintaining compact homogeneous social groups linked by blood or by socioeconomic structure (Sargent, 2005). Therefore, the bridges that connect family networks are strong ties, and not only because their contact is frequent, but because of the value members share for maintaining this compact homogeneous social structure with strict requirements of blood, marriage, education, or participation in elite social activities. This phenomenon has been identified by strategic researchers as ‘relational capital.’

Proposition 1 is a result of this particular Mexican trait that could help us understand the cultural content of a tie,

*Proposition 1. In the Mexican context, individuals will be more likely to develop strong ties among family members or individuals of the same socioeconomic group because they share the same values, more than because of the frequency of social contact.*

We believe that more studies are needed to learn the behavior of the small and medium family business and verify if our proposal could be sustained in this context. Nevertheless, with the impact of large enterprises in the country, it could be implied that
the family, and therefore its members, is what make up the system of social networks, and friends, acquaintances and colleagues acquire secondary importance in making the network work. With this proposition we set the bases for a theoretical discussion on the theses that strong ties have a cultural content that nurtures the strength of the tie.

*Value of Authority and Power*

A Latin American superior has the personal obligation of protecting his or her subordinates (Osland, De Franco, & Osland, 1999). In Mexico, specifically, the supervisor is responsible for taking care of the personal needs of the workers and their families (Greer & Stephens, 1996). Researchers describe this type of paternalism as the leadership of the old *hacienda*, now reproduced in today’s economic organizations (Díaz-Saenz y Witherspoon, 2000; Martinez, 2003). The characteristics of this style of leadership are those in which the *patrón* (owner), besides paying a salary, takes care of his workers, offering housing and food for the workers and their families. In this welfare system, the community living in the hacienda develops strong family bounds and generates a social structure which develops into a paternalistic leadership: this leadership reminds one of a father who nurtures and cares for his children with permissive practices and moral support. However, this creates dependent children in many aspects of their working life.

Lenartowicz and Johnson (2002) found that Latin Americans prefer to depend on someone else at work. They accept and obey authority if it is exercised by people within a hierarchical organization. The acceptance of authority induces behaviors oriented towards avoiding conflict and confrontation with superiors, and encourages a search for friendship with superiors or for a compadrazgo relationship. In contrast, the Mexican value a hierarchical status because it clearly defines the distance between superior and subordinate (Hofstede, 1982). Hierarchy, in this sense, is used as a mechanism of social differentiation. For example, job titles contain a local meaning related to power distance. Flynn (1994) indicates that international employment agencies agree that job titles in Mexico are inflated and do not necessarily reflect the abilities needed for the
position. Furthermore, the fringe benefits are more highly valued by Mexican executives than salaries because they symbolize social status.

The value Mexicans have for exercising authority by organizational hierarchy could be a determining factor for strong ties that activate and maintain networks of individuals that belong to the same socioeconomic group—that of the hierarchical level of the organization. Several empirical studies have confirmed how communication in Mexican organizations does not reach all hierarchical levels being centralized in supervisory and managerial levels (Lindsley, 1999; Wilkens & Pawlowsky, 1997). Moreover, the vertical structure of Mexican organizations encourages horizontal relationships at the same hierarchical levels, preventing decisions to reach the operational levels (De la Cerda, & Nuñez, 1993). Gonzalez and Villa (1994) described how, in a Nissan plant in Lerma, Mexico, information and communication only reaches the mid-level managers.

Power games within the organization take place between players that struggle to maintain a position in a hierarchy of legitimate authority. In this way, we find strong ties of paternalism between superior and subordinate based on the value of solidarity under the principle of reciprocity (Osland, et al., 1999).

Solidarity in developing countries creates strong ties among members of the same family, close acquaintances, or the community. Solidarity is based on the concept of providing help or assistance to the needy and is manifested when there is a scarcity of resources—making this cultural trait characteristic of developing countries because of their weak economies. In many societies, solidarity is a type of survival insurance that is considered a moral obligation. The process needed to awaken the value of solidarity in people makes it seem deferred. That is, when help is received, equivalent appreciation is not expected in return, but rather that further along someone else is helped in reciprocity (Fafchamps, 1992). These behaviors are so entangled that they strengthen the ties and social networks become compacted, trapping the individual in this social relationship (Lomnitz, 2001). Therefore, this is another mechanism by which strong ties compact social networks in Mexico. Thus:
Proposition 2. In Mexican organizations, vertical strong ties will be more likely to be developed between superiors and subordinates because they share the value of power distance based on solidarity and reciprocity.

Proposition 2a. In Mexican organizations, horizontal strong ties will be more likely to be developed between individuals at the same hierarchical level because they share the value of legitimate authority and social differentiation.

To summarize, we propose the societal values for family and legitimate authority to understand the socio-cultural structure of employment practices through the social network perspective. In the following sections, we will explore employment HR practices more closely using these two central values.

**Social Networks and Employment Practices**

**Staffing and Promotion Practices**

Once we know how Latin Americans search for jobs, we can identify the best practices for staffing in firms. This proposal is based on several studies which state that Mexicans join companies thanks to social networks compound of relatives and acquaintances of the same socioeconomic groups—strong ties (Flynn, 1994; Greer & Stephens, 1996; Hualde, 2001). In the United States, in contrast, people find jobs by weak ties—casual acquaintances and people rarely seen (Granovetter, 1973; 1983). The Mexican society’s value for family and acquaintances of the same socioeconomic group could be what maintains strong ties that activate labor markets.

Family tradition is so strong in the work place that many organizations maintain the policy of hiring family members or employees’ close relatives. The assumption behind this policy is that trust, loyalty, and responsibility are guaranteed by having family members at the work place; the same cultural content of a family tie network. This assumption could be valid for Mexico that has a small labor market in which it is difficult to find or change jobs. Nevertheless, this practice could also be a reproduction of the
pattern learned from top executives: many large and small enterprises are still managed by family members for more than three generations (Andrews, 1976; Saragoza, 1988; Sargent, 2001).

In the plant at Nissan, in Lerma, Mexico—mentioned above—the most popular mechanism for joining the plant was by referral contacts: employees’ family members or close friends. In the case of more qualified personnel, institutional networks were used, such as technological educational centers or professional associations (Gonzalez & Villa, 1994). However, Hualde (2001) presented controversial findings in a study of more than 50 maquiladoras1 in northern Mexico concentrated in the cities of Tijuana and Ciudad Juarez. Some HR people interviewed did not know the firms’ specialized technical needs because they were more experienced in hiring general workers and, sporadically, technicians. Engineers had to be recruited by employed engineers’ personal contacts and selected and hired by plant managers. HR managers had a superficial knowledge of the technical aspects of the plant and therefore HR practices were disarticulated from the organization processes.

Other studies in Mexico, such as those on Nissan in Lerma (Gonzalez & Villa, 1994), and Ford in Hermosillo (Carrillo, 1994) show how foreign executives deliberately followed a strategy for geographic relocation, and when doing this, sought rural workers without working experience, who could be easily controlled in order to avoid labor conflicts. These companies sought workers without labor social networks, who therefore lacked contacts that could link them to traditional unions, and at the same time, to have referrals of the same socioeconomic group.

Therefore, the most effective practices for recruiting, selecting, and hiring personnel in Mexico would be those that include the promotion of people recommended by the same familial or socioeconomic nucleus: strong ties. Thus:

*Proposition 3. In Mexico, strong ties, made up of relatives and close friends of the same socioeconomic group will be more effective for helping individuals to search and find jobs.*

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1 Labor intensive firms.
Proposition 3a. Practices of recruiting, selecting, and hiring based on employee referrals—relatives or friends of the same socioeconomic group—will be more effective in the Mexican context.

We assume that technology could alter this staffing practice and could generate tension between the values of modernity in employment practices—e.g., Internet used for publishing openings or to send personal data to firms—and the traditional values of hiring family members or acquaintances. Despite of the firm’s rational approach for managing staffing practices efficiently, a job seeker with a referral has more opportunities to obtain the job than a non-referral. Educational centers are aware of this trait and deliberately promote school practices among graduating students. Once students enter the work place as trainees, they would increase their opportunities to be hired after graduation. Many organizations prefer to test referral trainees during their internship periods than to invest in expensive selecting practices. However, horizontal ties that link educational centers to maquiladoras could be considered strong because they depend on personal relationships between school administrators and plant managers; moreover, school classmates’ referrals still the main source for job mobility (Hualde, 2001).

What other constraints will bring modernity to kinship societies? Each society manages its history in a unique way, influenced by culture, leaders, institutions, climate, geography, specific events, and idiosyncratic elements that result in a distinct heritage. It is also natural that each society develops general strategies to confront environmental changes and some of these strategies may work, while others will not. However, all social changes involve less systematic factors that make each society unique. Generally, cultural changes take place gradually and are a function of the development towards modernity or post-modernity (Inglehart & Carballo, 1997). This happens because basic values remain tied to a region and related to diverse processes of a particular historic development. Therefore, we consider that modern practices would change staffing practices if they are able to change the socio-cultural structure of the Mexican society, otherwise we propose:
Proposition 4. Modern practices for recruiting, selecting, and hiring based on the basic structure of social networks of strong ties will help firms to design effective staffing practices.

Although, there is a lack of promotion studies in Mexico, Abarca, Majluf and Rodriguez (1998) emphasized that it was significant for Chilean executives to have personal connections with primary social groups for the promotion and advancement of their career in organizations. In Chilean organizations, having personal relationships with prominent family members, with university colleagues, belonging to country clubs, and the place of birth was more important than talent for promotion. Personal connections could be an element of the ‘glass ceiling’ for Latin American executives. In developed countries glass ceilings for women or immigrants have elements of gender or racial discrimination; in Latin America, they could be related to social networks (Davila & Elvira, 2005).

In the maquiladora industry in northern Mexico, Hualde (2001) did not find clear promotion norms or policies. He found that personal relationships with immediate supervisors were more important for technicians or engineers’ promotions than for blue-collar workers. Hualde concluded that promotions were based on shared values for experience/seniority, school degrees, and particular interpretations of job needs.

Proposition 5. In Mexican organizations, individuals’ horizontal and vertical strong ties in and out of the organization will be more effective for career advancement or job mobility.

Concluding Remarks

In this paper we proposed to extend the social networks perspective by using the lens of cultural values to study ties for understanding the context employment HR practices in firms in Mexico. The main assumption of this approach is that cultural nature of the ties determines their strength in conjunction with other structural variables. This proposal is based on the assumption that the cultural nature of social networks is
what influences their structure, which determines at any moment whether a tie is strong or weak. Cultural values shared by individuals are what make a social network strengthen its ties, at the same time that it makes them reject weak ties. We proposed that in the Mexican context, individuals will be more likely to develop strong ties among family members or individuals of the same socioeconomic group because they share the same values, more than because of the frequency of social contact. Nevertheless, until now, little attention has given to the cultural nature of ties to explain why employment practices in Mexico are determined more by social networks than by the logic of economic rationale. Thus, it is proposed that in Mexican organizations, vertical strong ties will be more likely to be developed between superiors and subordinates because they share the value of power distance based on solidarity and reciprocity. And, horizontal strong ties will be more likely to be developed between individuals at the same hierarchical level because they share the value of legitimate authority and social differentiation.

We stressed the Asiatic guanxi that is an interpersonal relationship with a strong cultural content, which facilitates inter-social-class contact for the purpose of finding job opportunities or job mobility. Guanxi ties two people together in a close familiar and intimate relationship originated in a cultural tradition of mutual obligation and help. We identified a similar cultural content of ties in Mexico, but there ties carry strong values for family and legitimate authority. Mexicans obtain jobs and develop their careers according to the strong ties that they have with family members or with individuals of the same socioeconomic group sustained on the principal of solidarity and reciprocity: compadrazgo. The main difference between a compadrazgo and a guanxi relationship is that the later is interclass while the first one is within the same socioeconomic class. Modern practices for recruiting, selecting, and hiring based on the basic structure of social networks of strong ties will help firms to design effective employment practices.

In conclusion, we have proposed how cultural values shape ties in kinship societies, such as Mexico that make them develop strong ties for economic and business development. In Mexico, employment practices revised under the social network perspective reinforces that horizontal strong ties are the underpinnings of their socio-cultural structure. Thus, this work contributes directly to this line of research by
presenting seven theoretical propositions sustained by empirical studies in firms in Mexico.
References


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