

Venezuelan and Mexican Personality Differences: Economic and Marketing Implications

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Strong commercial ties between Venezuela and Mexico, enhanced by NAFTA, leads universities in these countries to develop attempt to develop new generations of entrepreneurs. This begs the question of the relative effectiveness of the efforts by universities to support this endeavor. The results indicate that the Venezuelan students had a statistically significant greater need for (HA1) achievement, (HB1) aggression, (HC1) dominance, (HD1) exhibition, (HE1) social recognition, and (HF1) lower abasement needs. The findings suggest that the Venezuelan group may be more entrepreneurial and have different management styles and marketing characteristics.

INTRODUCTION

Venezuela and Mexico represent two important NAFTA economies that will become more linked over time, and this linkage may well be strengthened if NAFTA is expanded. Both Venezuela and Mexico have a healthy entrepreneurial element in their economies. While Venezuela's Total Entrepreneurial Activity (TEA) for 2003 was 27.3%, which was higher than Mexico's TEA for 2003 of 12.1%, they both had higher TEA percentage than the World TEA percentage average of 9.6%, and Venezuela's TEA percentage was higher than the South American 2004 average of 16.6% (<http://www.gemconsortium.org>). With the important trading relationship that has developed between Venezuela and Mexico, the question arises as to why there is this disparity in relative levels of Total Entrepreneurial Activity between two trading partners who are so close in proximity. While there are a number of possible explanations, one that may be worth considering is the difference in personalities/values between Venezuelan and Mexican business people.

Personality or value characteristics related to culture are germane to understanding successful economic and business integration across cultures (Hofstede 1983). The greater the difference between

the culture of two countries, and consequently the individual personality characteristics commensurate with the culture, the greater the difficulty in conducting business between the two countries. This difficulty relates to all levels of the business with implications for the external relationships as well as the relationships of those within the organization. For instance, company policy, training, rewards and recognitions, employee relations, communications and degree of centralization should be adapted for differences across countries (Pelled & Xin, 1997; Schuler & Jackson, 1996). Further evidence supports the concept that although values differ from country to country the use of common Latino stereotypes should be used with caution (Lenartowicz, T. & James, P. J., 2002). Studies indicate that the values of managers in many Latin American countries differs especially those serving individual interests (Lenartowicz, T. & James, P. J., 2003). Personality variables have been linked to organizational citizenship behaviors of Mexican salespeople, and these have implications for organizational effectiveness (O'Connell et. al., 2001). Personality differences also imply differences in advertising strategy (Roberts & Hart, 1997) and purchasing behaviors (Gregory & Munch, 1997).

Personality differences affect the rate of integration into the global economy as well as economic development policy. The identity crisis Latin America faces because of its dual integration both within and globally has a high impact on its business environment via its Iberian roots (Recht & Wilderom, 1998). There are important differences in the economies of Venezuela and Mexico as a result, at least in part, by the evolution of entrepreneurship characterized by its on-again-off-again ability to spur economic growth in a society still unable to shake its mercantilist heritage (Larroulet & Couvourdjian, 2009). Of the Latin and Caribbean countries, Mexico arguably has the fastest rate of integration into the global economy. Venezuela's rate is much slower.(Niroomand & Edward, 2002) which may be a result of the inequities between the "realists" and the "cultural optimists" internal debate between conflicting Marxist concepts which causes speculation as to whether a synthesis of the two is possible or possibly even necessary for success (Ellner, 2010). Mexico is the largest trading nation in Latin America and the eighth largest in the world. Venezuela's economy is about ¼ the size of Mexico's but it is the most important Latin American importer of Mexican goods (IMF). Mexico relies heavily on manufacturing as a percent of exports and imports (78 %) while (Venezuela does not (12 %) (Nirooman & Edward, 2002). The Venezuelan economy is largely natural resource based, holding the largest reserves of oil in the Western hemisphere (estimated at 63 billion barrels); they are the world's fourth largest producer.

The literature is sparse on baseline data concerning personality constructs for the two countries. Mexico and Venezuela share similar language, religions and to some degree ethnicity and heritage (Boscan et. al., 2000). They also have important political, economic and cultural linkages. However, in spite of these culturally shared structures, important differences exist. Mexico has been culturally influenced by, and incorporated numerous values from, its major trading partner the U.S. (Boscan, et. al., 2000). At the same time, distinctions remain. For example, compared with Anglo-American students, Mexican-American students score higher on alienation and defensiveness and lower on social nonconformity and expression subscales (Negy & Woods, 1993).

Studies report personality differences between Mexican, Columbian and Venezuelan students. Specifically, on the MMPI-2, Venezuelans were high on the L scale while Mexicans were high on the *Hy* scale and low on the *Mf* and *Si* scales (Boscan et. al., 2000). The L scale is designed to capture social desirability effects but may reflect a tendency toward caution in presentation of self to others, the limitation of self-disclosure and the need to appear socially competent (Velasquez et. al., 2000). It also is representative of impression management tendencies, which means the "impression" one makes is important and can hide other weaknesses, such as weaknesses in temperament, character and behavior. Venezuelans are reported to pay more attention to dress, grooming and personal care items than those from other countries. In spite of the relatively low GNP per capita (\$3020 in 1996) it has been estimated that the average Venezuelan household spends a fifth of its income on personal care and grooming products and the demand for such products may be more inelastic than food. This suggests a higher emphasis on social recognition, status; this is consistent with a higher Power Distance Index Score (PDI) vis-à-vis Hofstede (1983).

The *Hy* scales have been associated with reduced psychological insights, conscious faking of symptoms and unconscious symptoms associated with somatization (Boone & Lu, 1999). This may associate with exhibitionism or the tendency to want to be an object of attention. The *Mf* scale is designed to detect masculine/feminine traits and the *Si* scale measures social introversion. The *Si* scale has been negatively associated with needs for achievement, dominance and exhibitionism but positively associated with abasement (Craig, 2000). Traditional Mexican culture emphasizes conformity to traditional norms (Montgomery & Orozco, 1985) and submissiveness (Chandler, 1979).

The twenty universal personality traits identified by Murray (1938) provide the basis of measurement for this study. A personality test developed by Jackson (1987) that builds upon Murray's taxonomy was used herein to measure universal needs. This test has been utilized previously in a number of cross-cultural studies. The present study is an exploratory study intended to provide the basis for a deeper understanding of the differences in the entrepreneurship of the subject populations as well as develop a basis for comparing other economies. This study should also provide into how the dynamics of trade between Mexico and Venezuela may well face some unique challenges, and by extension, have the potential for providing a framework to compare the potential for entrepreneurship in other countries.

METHOD

A random sample of business students from Venezuela and Mexico, recruited especially for this study, provided fifty Mexican respondents from classes of business students in a university in Guadalajara. There were fifty-five Venezuelan subjects selected from university business classes in Caracas. Jackson's Personality Research Form-E was given to the subjects. Each trait measured by the scale utilizes a sixteen-item scale, which has been used in many previous studies (Jackson, 1987). The Personality Research Form requires respondents to answer sixteen true/false statements for each of the twenty universal traits. Each true response is scored with a one and each false response is scored as zero. Possible scores range from zero to sixteen for each trait, with the higher score denoting a greater manifestation of the trait. The Independent sample t-test routine of SPSS PC version 10.1 was used to ascertain possible differences between the two groups for each trait. The mean for both samples and the results of the t-tests are reported in Table 1.

FINDINGS

Venezuelan students were found to have a higher need for achievement (HA1), aggression (HB1), dominance(HC1), exhibitionism(HD1), social recognition(HE1), and a lower need for abasement (HF1) than Mexican students (see table One). Thus since statistically significant differences were found between the variables above the preceding sub hypotheses were rejected.

TABLE 1
MEXICAN VERSUS VENEZUELAN SCALE RESPONSES

Hypotheses/ Variables	Mexican Subjects		Venezuelan Subjects		t-score	Significance
	Mean	(S. D.)	Mean	(S. D.)		
H1A Achievement	9.76	(2.24)	10.85	(2.55)	-2.33	.022
H1B Aggression	8.32	(3.13)	9.69	(2.68)	-2.42	.017
H1C Dominance	8.08	(2.86)	10.86	(3.02)	-4.66	.000
H1D Exhibition	7.18	(3.42)	9.33	(2.87)	-3.50	.001
H1E Soc. Recog.	7.56	(1.75)	8.49	(2.62)	-2.12	.037
H1F Abasement	7.12	1.87	6.07	(2.40)	2.48	.015

Implications of Need for Achievement HA1, Aggression HB1, Dominance HC1

A high score on achievement implies high standards, positive competition, desire for excellence, challenging tasks, enterprising, driving self-improving behaviors (Jackson, 1987). Aggression as a personality trait or value encompasses characteristics such as - combative, quarrelsome, pushy, easily angered, revengeful, retaliatory and hostile behaviors. Dominance implies need to control and can be consistent with need for power such as is found in high PDI scoring countries (Hofstede, 1983).

Need for Achievement (or efficiency) is correlated with entrepreneurial activity (Fry 1993) and economic development. This finding is consistent with earlier work comparing Bulgaria and Russia (Jackson, et. al., 2003). Need for Dominance, including dominance over the environment, is related to entrepreneurship (Jackson, et. al., 2003). This seems evident in Venezuela given that country's heavy dependence on extractive industries. Need for Dominance is consistent with a more flexible approach to negotiations, to political compromise and a lack of appreciation of equalitarian notions. Entrepreneurial activity and economic development if not concentrated in the hands of a small group and open to large segments of society is highly disruptive of the established order. In a high dominance society (high PDI score), such entrepreneurial disruption is likely to be resisted or repressed thus limiting marketing opportunities and economic development.

With diverse work forces, the challenge is to create effective reward systems that motivate the disparate values of the workers (Wheeler, 2002). Reward systems that included bonuses, commissions, piecework and recognition may be quite useful. Workers may focus more on promotion and their ability to achieve upward mobility within the corporate structure (Morris, Davis & Allen, 1994). Merit based promotions may be viewed favorably except when it clashes the collectivist based nepotism found in both countries. Monetary rewards may be very important as a way of determining relative worth and keeping score. Skill, ability and performance may be more important than seniority except when it is offset by respect for elders and a generally strong extended family structure that is supported by a society wide collectivist orientation. Employees may expect vertical job involvement and demand some input to how the work is done. A high status and high prestige firm should boost or at least support the perceived power of employees and their families. A high status firm should find recruiting easier in a high PDI country.

Marketing implications suggest that ads should reflect the values of the primary target market. In some masculine markets, traits such as of aggression, achievement and dominance must be reflected in the ads (Roberts & Hart, 1997). In many instances, ads to meet the orientation of the target market must emphasize the product being used and its status, prestige, quality and performance. A modification of the product line may even be necessary as a higher standard of quality and performance may be desired over products that are targeted to a globally adequate level of quality.

Implications of Exhibition HD1, and Social Recognition HE1

Exhibition indicates the need to be the center of attention, consumption, pretentious and showy. Social recognition implies being well respected and concern about what others think, and works for conspicuous approval. Social recognition and exhibition needs imply that non-monetary rewards may be important job motivators. Achievement awards, recognition in a corporate newsletter, public praise may be important reward mechanisms. Employee of the month programs may be quite useful. Use of teams with team leaders may be important status rewards for good performance. Reprimands and negative feedback should be private. Company sponsored social functions would be important. Hiring ads should emphasize affiliation and focus on social settings. Conspicuous consumption might be a very lightly touched underlying theme.

Implications of Abasement (HF1)

A high score on abasement captures deference, self-subordinating, humility, obedient, traits. Individuals who are high in this trait tend to accept blame and criticism when not deserved and are willing to accept an inferior position (Jackson, 1987). Infrequency implies questionable or inappropriate behavior patterns due to poor comprehension, carelessness, confusion or deviance (Jackson, 1987). This implies

the need for different human resource management approaches. Leadership training may be more necessary with Mexican nationals. It also implies that the reward system may need to be altered; communications may need to be simple and direct. Managers may utilize less of a participatory management style and involve employees less in decision-making. Infrequency suggests that firms may have to provide company transportation to discourage truancy and may require closer management of tasks to insure quality and performance. Primary communications should utilize the hierarchical nature of the organization and be primarily top down. Meetings are for dissemination of orders as opposed to a forum for discussion and debate. A more paternalistic approach to labor management may be appropriate with more centralization needed.

Marketing strategy may need to be developed for each country, as standardized advertising strategies seem inappropriate in view of their value themes. Poorly chosen value themes can waste coverage and may even offend potential customers (Roberts & Hart, 1997). Further, Mexican subjects would probably be less complaint oriented, achieve consumer satisfaction easier and be at a disadvantage in dealing with high dominance, aggressive groups.

It may be that Mexican nationals listen better to articulate with their groups of identification. Any of the preceding would affect the marketing skills needed to be successful with such groups, which correlates with their greater speed of global economic integration in the sense that they are willing to adjust to the requirements of markets and investors from other cultures. Higher humility, somewhat counter intuitively, may lead to faster economic development and more entrepreneurial activity (Zahra, S. & Hansen, C. D., 2000). Such values should yield a high touch, marketing consumer orientation with strengths in relationship marketing. Some countries/cultures with higher scores on abasement are actually known for their customer orientation and success in marketing especially in the tourist trade.

LIMITATIONS OF THE STUDY

The limitations of the study are listed below.

1. This research is exploratory in nature and as such additional, provides a baseline of information rather than conclusive evidence.
2. The findings are constrained geographically.
3. The findings are constrained temporally.
4. The relatively small sample sizes limit the extent to which these findings can be generalized.
5. Further research is needed to allow a broader understanding of the findings reported here.

CONCLUSIONS

1. Venezuelans' relatively higher scores on Need for Achievement compared to Mexicans' subjects' scores implies marginally higher internal performance standards, desires for excellence, and a stronger enterprising nature.
2. Higher Achievement Need scores are correlated in the literature with more rapid economic development, which implies Venezuela, will experience more rapid growth all things being equal.
3. Need for Achievement is associated with entrepreneurial activity in several cultures.
4. Dominance generally leads to an inflexible approach in negotiations and politics.
5. Dominance does not generally lead to a respect or implementation of equalitarian approaches to solving problems. The present dictatorship in Venezuela lends some support to this conclusion.
6. High dominance and high PDI scores do not fit well with upward economic and social mobility via entrepreneurship.
7. Venezuela with higher levels of aggression, achievement and dominance than Mexico should have these values given more emphasis in Venezuela.
8. Social recognition given the moderately higher level in Venezuelan than Mexico should be reflected in a reward system that gives public praise for strong performance.

9. Achievement awards such as employee of the month, recognition in the organizations newsletter or a trade publication and various status boosting reinforcing methods would be called for.
10. Higher need for exhibition could be handled at company banquets with awards such as plaques or rewards such as free tips or internal speaking or teaching opportunities.
11. Abasement can be a virtue in a situation with a more paternalistic management system, which demands closer supervision.
12. Higher levels of abasement should lead to a greater service orientation, better listening skills and a sincere interest in succeeding in relationship marketing.
13. Having a higher level of abasement should leave the marketer with a focus on what the customer wants and needs instead of what do I want.

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