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Exploitation or Choice? Exploring the Relative Attractiveness of Employment in the Maquiladoras

John Sargent
Linda Matthews

ABSTRACT. This study investigates the relative attractiveness of production level jobs provided by multinational firms in Mexico's maquiladora industry. We take the position that workers themselves are an important and often overlooked source of information relevant to the controversy focusing on the responsibilities of multinational companies to their employees in the developing world. We conducted interviews with 59 maquila production level workers in the Mexican cities of Cd. Juárez and Chihuahua. Using a relative attractiveness framework that compared maquila jobs to other employment available in the local economy, maquila line and technical workers responded to questions addressing why they were working at a maquila, their work history, the attractiveness of maquila jobs compared to both their prior jobs and the jobs held by friends and family, and whether they planned to continue working in the maquilas. While the responses from maquila workers are diverse, they suggest that maquila jobs provide attractive employment for the economically disadvantaged in Northern Mexico.

Over the course of history, scholars, philosophers, and laymen have held varying opinions regarding what constitutes the fair and just

treatment of people at work. A central point of debate has been over what constitutes worker exploitation. In feudal times the focus was predominantly on the treatment of peasants by landowners. In the early industrialization of the U.S. and other western nations, the focus shifted to the treatment of workers by capitalists. In both of these examples, issues of low wages, long hours, and poor working conditions imposed on laborers by power holders were seen as evidence of exploitation. More recently, discussions centering on worker exploitation have been couched in terms of employee rights and development. Along these lines, scholars began debating the role of job design in "dehumanizing" workers for the sake of efficiency and profits. Braverman (1974), for example, argued that creating jobs where the primary tasks performed were routine and repetitive was in itself exploitative.

Worker exploitation, defined as "the utilization of the labor power of another person without giving a just or equivalent return" (Webster, 1971) is also a major issue in the emerging field of international business ethics. An area that has generated considerable controversy within this field has been the ethical responsibilities of multinational firms to their employees in developing countries. Two seminal works in the field of international business ethics (Donaldson, 1989; De George, 1993) have both examined the complex ethical dilemmas posed by this issue. While the advantages and disadvantages of multinational firms in the developing world have been a concern for at least the last 100 years (cf. Wilkins, 1970), the rise of "offshore sourcing" or "export processing zones" have brought a different twist to the traditional debate (for an overview of these zones, see

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Grunwald and Flamm, 1985; Wilson 1992; and Tiano, 1994). In these zones, raw materials are typically imported by a multinational firm, processed by the developing country work force (often young, single, and female), and then exported back to the industrialized world. Multinationals operating in these zones have often been the target of criticism in both the academic and popular press.

The maquiladora industry (also called maquilas), Mexico's contribution to this form of production, has been accused of a number of ethical shortcomings. Firms that move to Mexico are no longer subjected to the relatively strict environmental and workplace safety standards common in the developed world. While Mexico has established regulations in these areas, they are often not well enforced. Unsafe working conditions and serious environmental problems have been reported by a number of sources (cf. Hosmer and Masten, 1995; Butler and Teagarden, 1993). Another concern is that maquilas may contribute to a decrease in the quality of employment in the industrial world. For example, management may be able to obtain significant concessions from organized labor in the U.S. and Canada by threatening to relocate their production facilities to Mexico if their contract demands are not met. There is also the possibility that the recently signed North American Free Trade Agreement (NAFTA) will contribute to a further decrease in the quality of employment in the U.S., Canada, and Mexico. Michalos (1995) argued against the agreement stating that "it is certain that the maquiladora conditions will spread to all of Mexico and create enormous pressures to drag down the working conditions of Canadians and Americans to very similar levels" (1995, p. 192).

While the above issues regarding the maquiladora industry are significant, this paper focuses on another common criticism of the maquilas: worker exploitation. Wages for production level workers in these firms are often very low. Workers may earn as a starting wage the equivalent of only 25 dollars per week. In addition, firms typically only transfer basic assembly operations to Mexico. As a consequence, many of the tasks performed by workers

in maquila plants have been described as requiring little worker skill, highly repetitive, being very simplified, and at times detrimental to worker health and safety (Butler and Teagarden, 1993). Given these characteristics, a variety of authors have labeled the employment relationship in maquiladora firms as unjust (cf. Hosmer and Masten, 1995; Fernandez-Kelly, 1983; and Tiano, 1994).

Is the employment relationship in these maquiladora plants truly exploitative? Given that such firms as General Motors, Ford, GE, Johnson and Johnson, and a host of other well-known U.S., European, and Japanese multinationals have maquiladora operations, this is a non-trivial question. As of September, 1995, maquiladora firms employed over 620,000 people and employment is increasing at an explosive rate (9.3 percent in the first nine months of 1995) (INEGI, 1995). If employment in these firms is truly as horrible as the critics contend, it would appear that some of the best known firms in the world are not operating in the developing world in a socially responsible manner.

A variety of frameworks have been developed to help determine the moral rights and responsibilities of multinational companies to their workers in developing countries. Drawing from the emerging field of international business ethics, in this paper we utilize a relative attractiveness framework to evaluate the ethics of maquila employment. This framework has two major components. First, we believe maquiladora employees are capable of determining whether or not they are being exploited by their employer. We feel that in the debate over the attractiveness of maquila jobs the attitudes and opinions of actual maquiladora workers have been largely overlooked, distorted, or downplayed. This study attempts to present as clearly as possible the views of this group. Second, we believe that other opportunities in the local labor market provide a valid measure of comparison to determine the attractiveness of maquila employment. For example, if a maquila job provides more direct and indirect benefits to a worker than a non-maquila job available in the local area, then maquila employment is, at least in a limited sense, ethically defensible.

The next section briefly reviews a limited selection of the international business ethics literature that addresses the question of what are the appropriate ethical standards for multinational employers to follow in developing countries. These standards provide insight into the dilemmas involved in judging the quality of maquila employment from an ethical viewpoint and provide a linkage between the international business ethics literature and the current study.

Ethical standards for multinationals in developing countries

Determining what constitutes ethical behavior in complex situations in a single culture is often difficult. When a firm expands into multiple cultures in both the industrialized and developing worlds, the challenge to determine what is ethical behavior becomes even more complex. De George (1993) identified three common, but misguided approaches to use in evaluating the ethical behavior of multinational firms. He labels these; 1) *When in Rome do as the Romans do*; 2) the *Righteous American*, and 3) the *Naive Immoralist*. The “*When in Rome*” position implies that a U.S. firm should follow the local customs and practices of the country where they are doing business. In the maquila context, this standard implies that as long as the maquilas have comparable benefits and working conditions to local firms, they are operating in an ethically defensible way. In contrast, the *Righteous American* view holds that U.S. firms should be held to the same standards of conduct that apply in the U.S. For maquiladoras, this standard would imply that they should offer the same wages and working conditions in both the U.S. and Mexico. Finally, the *Naive Immoralist* position is that global competition creates its own ethical and economic reality. If a U.S. firm adopted ethical practices that undermined their competitive position, they would lose business and the entire U.S. economy could suffer. If a maquila followed this position, a logical policy would be that the maquilas exist to maximize their profits and that they should pay their workers whatever they decide is appropriate.

Each of these approaches, when taken to the extreme, has clear weaknesses. The “*When in Rome*” position implies that there are no universal ethical principals and that whatever is acceptable in the host country is acceptable behavior for the U.S. firm. However, few people would agree that it is acceptable for a U.S. multinational to practice slavery or apartheid even if these practices are common in the host country. The *Righteous American* position implies that U.S. ethical values are superior than the values of other cultures. De George writes that “it is simple arrogance to assume that American ways of acting are the only morally correct or permissible ways of conducting business” (1993, p. 17). The *Naive Immoralist* view is also problematic. This position implies that if your competitor is doing something, it is acceptable for you to do the same thing. Clearly, just because somebody is doing something (for example, selling illegal drugs to minors), does not make it ethical for you to do the same thing.

Given the weaknesses of the three above mentioned positions, both De George (1993) and Donaldson (1989) developed alternative frameworks for determining what is acceptable multinational behavior. Both focused extensively on multinationals operating in developing countries where background institutions (typically government rule setting and oversight bodies) are weak. De George (1993) focuses on what he termed seven ethical norms for multinationals in developing countries. Donaldson (1989) identified ten fundamental international rights and the minimal duties for multinationals. Both authors state that multinational firms have the duty to pay their workers at least subsistence wages. De George writes that “American companies must pay at least subsistence wages and enough above that level to allow workers and their families to live decently” (1993, p. 51). While this appears to be just standard, subsistence wages and a decent living are both inexact terms and using this standard to pinpoint appropriate wage levels is difficult. Donaldson (1989), in contrast, emphasizes that defining what constitutes subsistence wages is “an empirical question.” If wages are so low that workers and their families face malnutrition and starvation, multinational firms are

not meeting their minimal duties of the right to subsistence.

If we use Donaldson's standard of minimal duties, the average maquila firm clearly meets its fundamental moral obligations. Many maquila firms not only pay at least the Mexican minimum wage but offer to their employees such benefits as free food in the company cafeteria and free medical care (Teagarden, Butler and Von Glinow, 1992). A focus on the issue of subsistence wages, however, tends to ignore the fact that all developing countries are not the same. Mexico, for example, is regarded by the United Nations as an advanced developing nation with relatively high levels of education, industrialization, and national income (Human Development Report, 1995). Over 20 million Mexicans enjoy a living standard roughly equal to or above that of the middle class in the United States. A U.S. multinational that pays a subsistence wage in an advanced developing nation may not be contributing to its development.

Given these difficulties in determining what is ethical behavior for maquiladora firms, in this paper we adopt a relative attractiveness standard to evaluate maquiladora employment. We believe that the people within the Mexican labor market are capable of deciding whether or not they are being exploited. Given the harsh realities of developing countries, what people in the industrialized world believe to be an unjust employment relationship may be judged favorably by a developing country worker. Also, attractive employment can be viewed as a relative concept. Maquila jobs should be evaluated against other employment opportunities in the local labor market.

Clearly, the relative attractiveness standard is closely related to the "When in Rome, do as the Roman's do" ethical approach. While this ethical standard has weaknesses, we view the relative attractiveness framework and this study as a helpful addition to the debate focusing on the maquila industry, NAFTA, and increased economic ties between the U.S. and Mexico. In our own review of the literature on the maquila industry conducted prior to this study, we found that there was an absence of published articles that examined the attractiveness of maquila work

in comparison to other employment opportunities from a workers perspective. While there were some published studies, this information was problematic. A significant portion of the literature on the industry is both somewhat dated and written from a Marxist perspective (cf. Fernández-Kelly, 1983; Van Waas, 1981). Since Marxist scholars are typically critical of any type of capitalistic organization, it should come as little surprise that these authors are critical of the maquila industry and maquila employment. Ideological biases clouding research findings are a well recognized problem in maquila research (Stoddard, 1991; Peña, 1991; Carrillo, 1991). A second serious problem is that, due to the lack of relevant academic studies, researchers focusing on the maquilas have had to turn to popular press sources for information on maquila working conditions. Both Hosmer and Masten (1995) and Butler and Teagarden (1993), for example, cited popular press sources (e.g. San Jose Mercury News, U.S. News and World Report) when reporting worker attitudes and safety conditions in the maquilas. While these sources are certainly helpful, few academicians would argue that these sources are sufficient to adequately inform both the scientific community and public opinion.

Given these characteristics of maquila research, we conducted a study with the goal of examining the relative attractiveness of maquila employment from the perspective of maquila line and technical workers. We selected our methodology with the goal of presenting as directly as possible the views of maquila workers while still using rigorous scientific methods. The next section of this paper presents this research methodology.

Methodology

Sample

As part of a larger study, 59 line and technical workers that were employed in maquiladora firms were interviewed. The characteristics of the sample are presented in Table I. These interviews took place in Cd. Juárez and Cd. Chihuahua, two cities in Northern Mexico where many maquila firms have located. The primary method

TABLE I
Characteristics of maquila workers

	Line workers (<i>n</i> = 51)	Technicians (<i>n</i> = 8)	Total (<i>n</i> = 59)
Average age	24	26	25
% female	38%	13%	33%
Location of interview Juárez	41	8	49
Chihuahua	10	0	10
Native of Juárez/Chihuahua	44%	37%	42%
If not, years in Juárez/Chihuahua	6.6	13	7.3
Education (in years)	7.9	12.2	8.5
Industry			
Electronic	13	2	15
Apparel	8	0	8
Harness	12	1	13
Other auto.	10	4	14
Other	8	1	9

utilized to obtain these interviews was to go to neighborhoods where a large number of maquila workers were known to reside. In these neighborhoods, the first author of this study went from house to house to find maquila workers who were willing to be interviewed. Overall, the interviewees were very willing to talk about their experiences in the maquilas and did not appear to be systematically distorting information.

Maquila managers at 30 different firms were also interviewed for this study. Managers were asked a number of questions focusing on why they thought a worker would choose to work at a maquila instead of somewhere else.

Measures

Following a semi-structured interview format, line and technical workers were asked a series of questions regarding the firm they worked for, the tasks they performed, the relative attractiveness of their jobs, and various human resource practices at their maquila. The full interviews ranged anywhere from 10 to 90 minutes with the average being 20 minutes. All 59 production level interviews were tape-recorded, transcribed, and translated into English. A content analysis of the interviews was then done using a similar procedure

used by Rynes and her colleagues (Rynes, Bretz and Gerhart, 1991; Bretz, Rynes and Gerhart, 1993). This procedure involved having two people read the interview transcripts. These people then independently designed alternative coding schemes for summarizing quantitatively the responses to each interview question. These schemes were then compared and a consensual coding scheme developed. All the responses were then coded. In this study, the raters agreed on 90% of the cases; the final 10 percent were resolved by another person who had knowledge of the study.

Results

A critical issue in determining the attractiveness of maquila work is to determine why people seek out and accept maquila employment. Proponents of the view that maquila workers are being exploited argue that maquila jobs are so unattractive that only young people with no skills and no other opportunities in the local non-maquila labor market will take maquila jobs (Homer and Masten, 1995). Maquila advocates reply that maquila jobs are more attractive than other opportunities in the local economy and the maquilas offer above average wages, benefits, and

working conditions. To determine why individuals were working in the maquilas, we asked the question: Why did you decide to obtain a job in the maquilas? Forty-seven line workers provided usable information to this question. Many workers indicated multiple reasons why they had a maquila job and so a single response could have been included in more than one coding category. Exhibit I contains a representative selection of responses to this question.

The content analysis of this question produced the following results. Seventy-four percent (35 people) of the line workers indicated that they were working in the maquilas due to the availability of maquila employment. Typical responses in this category indicated that the person needed to work and that maquila employment was easy to obtain. Others indicated that due to their lack of education maquila employment was the most viable option. In addition, some workers lamented about the lack of attractive opportunities in non-maquila jobs.

Fifteen percent (7 people) stated that they worked in a maquila due to the indirect benefits given by the maquilas. Three people specifically mentioned the availability of medical insurance. Thirteen percent (6 people) indicated that they had a job in the maquilas because of maquila working conditions. This group was largely made up of men who saw their only other option as being in construction and did not want to work outside during cold winters and hot summers.

Thirty percent (14 people) of those responding indicated that they chose maquila employment because of maquila policies. Typically responses in this category were people that stated that there is more time off in the maquilas, especially on Saturday and Sunday, and they liked to have this free time for non-work activities. While one person said they used this time to find a second job, a much more common response was that maquila employees used the days off for entertainment purposes. One other notable finding from the interviews was that several of the interviewees stated that they would receive greater take home pay in non-maquila employment.

The statements made by the technicians for why they had maquila jobs were very similar to those from line workers. Six of the eight tech-

nicians stated that they worked in a maquila because it was possible to find a job in the industry. Technicians frequently indicated that there were few opportunities for them in non-maquila firms. None of the technicians indicated that maquila indirect benefits were the primary reason why they were working in a maquila. One technician indicated that he liked working in a maquila due to maquila working conditions while two others stated they worked in a maquila due to attractive maquila policies.

Taken as a whole, the explanations given by maquila workers for why they had maquila jobs provides no strong evidence one way or the other that maquila jobs are more attractive than non-maquila employment. The majority indicated that they worked in a maquilas because maquila jobs were available. This appeared to be especially true for skilled technicians. This group indicated that there were few outlets for their efforts in local non-maquila firms. While common maquila policies do appear to be somewhat more attractive (more time off, free food and transportation, sports teams, etc.) than many non-maquila jobs, many maquila workers appeared to feel a bit ambiguous about their jobs. No one, for example, said that they worked where they did because they liked to assemble auto harnesses, electronic components, or to sew clothing. Intrinsic satisfaction with the actual work performed appeared to be an alien concept to the great majority of maquila line and technical workers.

Comparison of maquila jobs and a person's prior employment

Another approach to determine the attractiveness of maquila employment was to compare a person's maquila job with non-maquila employment in the person's past. If maquila work is more attractive than other local opportunities, it would seem likely that people would be leaving non-maquila jobs and finding work in the maquila sector. To make this comparison, maquila workers were asked the question: What kinds of jobs have you had in the past? Once a person's employment history was established, he

EXHIBIT I

The following quotes are in response to the question: Why did you decide to obtain a job in the maquilas?

- (1) Because it is easier to get a job there and you don't have to work on Sunday. And a lot of times it turns out better than working in one of the commercial centers. They pay a little more but the amount isn't significant.
 - They pay a little more in the maquilas?
 No, sometimes they pay a little more in the shopping centers but in the maquilas they pay for food and for transportation.
 - (2) Because in other places they work a lot and they work Saturday and Sunday. And it helps a lot (to have a job in the maquilas) because you can use Saturday and Sunday to have another job somewhere else.
 - (3) Well, it is a job that, even though it doesn't pay much, but it is safe. It is a safe job because it will last for a long time. A year. You can work in a maquila as long as you want. Because there are more maquilas here than anything else, right? I work in a maquila, it is a job that is very easy to get.
 - (4) Where else would I find one? I haven't finished my studies.
 - So for people who have only finished primary it is the only option?
 Yes.
 - (5) For the *Seguro Social*.
 - Do they have *Seguro Social* in other jobs?
 Well, generally it is essential to have medical insurance. In restaurants they do give it but you have to walk around serving people and all that and in the maquila you are seated all the time. You don't get dirty or anything like that, not your clothes or your hands.
 - (6) Because I am a single mother and I don't have someone to support me. For economic reasons.
 - (7) It is all right, the environment in the maquila.
 - In what way?
 Sports, I'm on the maquila soccer team.
 - (8) Well, because of the weather. When I got here it was Winter, and I didn't want to work outside. And in construction, it can be very cold. In Winter you can freeze outside. But work in the maquila is inside. In cold weather it is warm. And you have your bonuses for food, you don't bring it from home. In the same paycheck, you get your bonuses. Cafeteria bonuses, so you can eat.
 - (9) Well, for me it is the most viable, it is where I can find a job. I am trained for the maquiladoras. I don't have any other training, like for an office, my training is for the maquiladora (technician).
 - (10) Well, basically the maquilas are the source of work that there is more of. For what I studied, well, I think that here is the only place to do what I do. For example, there are degrees for technicians in televisions, for technicians in this, for technicians in that. But I work in another field, a field that I chose that is most applicable to the maquila (technician).
 - (11) Well, a very important reason is that I have had jobs with Mexican companies. And there is a lot of politics, more favoritism. And in the maquiladoras, well, they value a little more the performance of a person. It is a little more equal (technician).
 - (12) When I started in school the area I studied was as a technician, it is called a technician in productivity.
 - And are there opportunities for people who have this type of education in Mexican firms? For example, a Mexican plant that is totally Mexican and is not in the maquiladora program?
 In another factory that is not a maquiladora? No, I don't think so. Because the degree there was for, it is especially for that, the subjects that they have, warehousing, inventories, productivity, quality control, a little bit of English. It is basically for, since we are on the border and there are a lot of maquiladoras, it is basically for that (technician).
-

or she was asked: How do those jobs compare to your current job? Exhibit II and III contain a selection of representative responses to the first and second questions respectively.

The content analysis of the first question found that prior employment of maquila line workers was concentrated in general labor (46 percent, 23 of 50) and service jobs (30 percent, 15 of 50). People who had held general labor jobs had typically worked in agriculture and/or construction while service jobs were in hotels or restaurants. Five people (10 percent) reported having some experience in manufacturing or mining. Only one person (2 percent) had held a job with managerial responsibilities. Sixteen

people (32 percent) reported that they had only worked in maquilas. For the line worker sample who provided usable information for this question, 65 percent of the women (11 of 17) indicated that they had only worked in the maquilas while only 15 percent of the men (5 of 33) fell in this category. The majority of technicians (five of eight) also did not have experience outside the maquila industry. Three of the technicians had held general labor jobs before their maquila employment.

If a person had held a non-maquila job in the past, they were asked to compare their non-maquila jobs to their current maquila jobs. Thirty-five people provided usable information

EXHIBIT II

The following responses are to the question: What kinds of jobs have you had in the past?

-
- (1) I worked as a cashier in Soreana (a big department store). And in another coupon factory.
 - (2) In construction. With the construction companies, that was it. Carpentry, car mechanic.
 - (3) I was a street vendor. Selling here in Juárez. I sold tools, locks. I sold things here in that big store, and in the market.
 - (4) My jobs have been as a painters helper, a butchers helper, electricians helper, a general laborer, and in farming.
 - (5) Well, the same. When I was studying and during vacations I worked in the maquilas. It is that sometimes they would hire students during vacations and we could work.
 - (6) In Chihuahua, I worked at the golf course, carrying clubs. And with two friends I picked asparagus, apples. In the United States, when I went there, there was a recession and there was hardly work for you people, right?
 - (7) Sometimes we would be wet backs, working in El Paso. There are a lot of maquilas, and it is a job. I have done that job for three years.
 - (8) Before I came here? I worked in the fields.
 - (9) All kinds. Like . . .
– In other maquilas?
In others and besides that in a house as a servant, I left that. In general labor, in agriculture, in every thing.
 - (10) In construction. Bricklayer. It's better in the maquila. Even though it is more money, the work in construction is hard. They pay more but it is more difficult.
– More difficult in the maquila or in construction?
More difficult in construction.
 - (11) In Tijuana? From the time I was six until I was eight, nine, I worked with my brothers, trucking with them. As a helper, and when I was ten to eleven I did the same thing, as a driver, but also as a helper.
 - (12) Well, here in my house, cutting hair. And I'm still doing that, but I also want to keep working.
-

EXHIBIT III

The following responses are to the question: How do those jobs compare with your current job?

- (1) It is better (the person's present job) because it is easier.
 - (2) On one hand the work is cleaner, a better work environment, better indirect benefits, that is the difference between the maquila and other places.
 - But you liked your jobs in the past?
 - Yes, I liked them but in construction a lot of times they don't have medical insurance. Insurance is something very important. Because if you get sick, in the maquilas they have insurance, it doesn't cost you for the doctor or anything else if there is an accident. And in other places they don't give insurance and you have to pay for the doctor when you get sick. But in the maquila, no. Everything is paid for.
 - (3) My current job is a lot better. It was dangerous, I went to a lot of small ranches and towns. And well, I got into a lot of difficult situations. They even killed people.
 - It was dangerous in your prior work?
 - Yes. For example, they were jealous because I sold vegetables, and they would get mad and they would even want to attack me.
 - (4) Well, on one hand, my jobs in the past were better for the money. But the temperature, it is better. It is one hundred percent controlled in the factory. You don't earn that much but . . .
 - (5) Well, for me it is the same, it is work.
 - And in the maquila, they pay more than in other jobs that you have had in the past?
 - No, no way. It is less, what I earned years back, it is less.
 - (6) Well, here I have more freedom. I don't have to fight so much for what I need. I can act out my ideas, material is not denied me. I can be more innovative. I do a lot in my job (technician).
 - (7) My past jobs were very boring. But now, no. I like my job a lot.
 - It is more interesting?
 - Yes, it is more interesting, you get to know people. I don't know why but I like my job a lot.
 - (8) Well, it paid a little bit better. In the restaurant. But you had to work every day and you didn't have even one day off. And in the maquiladoras you have two days off.
 - (9) Right now in my current job, it is fifty dollars per week. Lets suppose that over there (in the U.S.), we could earn up to four hundred eighty dollars per week. Can you imagine?
-

for this question. Six of the people (17 percent) stated that their current jobs were worse than their past non-maquila employment while nine people (26 percent) stated that their current job was more or less similar in attractiveness to prior non-maquila employment. Twenty people (57 percent) stated that their current job was better than their non-maquila jobs in the past.

The employment history information clearly shows that the average maquila worker, if he or she held a job before their maquila employment, had performed what many would consider relatively unattractive work. Jobs such as maids, cashiers, or laborers on a work crew at a construction site or on a farm are not typically

regarded as attractive employment. When compared to these prior jobs, the majority of maquila workers preferred their present jobs.

Comparisons to the jobs of friends and family

As emphasized in this paper, the attractiveness of employment can be viewed as a relative concept. Another way to evaluate relative attractiveness is to compare a person's job with the jobs held by other people likely to be in the person's comparison group. Equity theory (Adams, 1963) emphasizes that employees will frequently utilize information from people in their comparison

group to determine if they are being treated fairly by their employer. To gain insight as to how people rated their jobs when compared to the jobs held by people likely to be in their comparison set, maquila employees were asked: How does your job compare with the jobs of your friends and family? Exhibit IV contains a representative selection of responses to this question.

Thirty-nine line and technical workers provided usable information in response to this

question. Twenty-one percent (8 people) indicated that their maquila job was less attractive than the jobs of people in their comparison group. Fifty-six percent (22 people) stated that their jobs were roughly equal in attractiveness while only 23 percent (9 people) stated that their jobs were better than the jobs that people held in their comparison group. These numbers are somewhat difficult to interpret, however, since in a limited number of cases it was not possible to determine whether the person was comparing

EXHIBIT IV

The following quotes are in response to the question: How does your job compare with the jobs that your friends and family have?

-
- (1) Well, some of my family have better jobs than I do. Friends, but there are others that at least right now, mine is a little better than theirs. But there are others that have more ability than I do.
 - And they work in other maquiladoras?
 - No. In other places, in offices, because they have education.
 - Your friends have more education than you have?
 - There are some that do and some that don't, that work in banks that studied with me and they continued with their education and now they have very good jobs. And since I stopped going, well, I'm working in a maquila.
 - (2) It is that my family works at home, and my job is very different. Very different, house work and the work in a factory.
 - But you have other friends that work in other places that are not maquiladoras?
 - Yes, in construction. A lot of times they prefer to work in construction and to earn a little more than a person in the maquila. But the work is more difficult.
 - (3) – Do you have other friends here that work in other companies that aren't maquilas?
 - Yes, some.
 - And these jobs are better or worse than your job?
 - It is better in a factory. It is easy, and there is the opportunity to be promoted, because if you start working as a painter, well, you know that job, but you are just painting, and painting, and painting, all the time. And if you are a general laborer, well for forever you are going to be a laborer, that is it. But there no, there is the chance to study, for that reason I studied. Because you can accomplish something, a goal or you can do something a little more important.
 - (4) For example, in my family, there are professionals. I have a brother that works here, in the Presidencia (a building close to where the interview was taking place). And I have another sister that works as a secondary school teacher. And my work isn't much in comparison. But because they have a degree, right? For example, I have another sister that is a social worker. She has a degree from the Autonomous University. And the other is the secondary teacher. And so, my job is nothing.
 - (5) Well, they work in other maquilas. And they have jobs like mine.
 - (6) They work here with the buses. They earn more, they earn up to one hundred pesos daily. I earn something like twenty. It is a lot, right? The difference.
 - (7) Worse. Now, only the youngest works in a maquila, the others are truckers. From El Paso to Juárez. They earn, what I earn in a month, they make in a week.
-

their jobs to other maquila jobs or to non-maquila employment.

What is especially noteworthy from several of the workers that indicated that their jobs were less attractive than the jobs held by people in their comparison group were the types of jobs held by the people in the comparison set. One woman indicated that in comparison to her sister who had a job as a secondary school teacher, her job was “nothing”. According to another worker, a job as a truck driver was also more attractive than a maquila job. One person indicated that while some of his friends had good jobs in banks, he had a maquila job because he had dropped out

of school. Quotes such as these indicate that the typical maquila job rates rather low when compared to other formal jobs in the Northern Mexico labor market.

Intentions to continue working in the maquilas

A final question that was used to determine the relative attractiveness of maquila employment was: Do you plan on continuing to work in the maquilas? If maquilas are more attractive forms of employment than non-maquila employment, it seems logical a maquila worker would want to

EXHIBIT V

The following responses are to the question: Do you plan on continuing to work in the maquilas?

-
- (1) Yes. Since I have put up with so much already, I am going to continue.
 – And for some reason, you left your job in the maquiladoras, what kind of work do you think you would find?
 Well, in the country or in construction. Those are the jobs here that there are the most of.
- (2) Yes.
 – How come? Are there better jobs out there?
 Yes, but it is like I told you. It is easier to find a job in the maquilas than somewhere else.
- (3) While I can. And if they pay me more. Yes. Since I have a child I have to work. I don't have a local passport and so I can't work in El Paso.
- (4) Yes. What else is there. Right?
 – Here in Juárez are they more or less the best jobs?
 In the maquilas? The best jobs? Well, it is where there is the most work, but they aren't the best, but it is where there is the most work. And the people go where work is offered.
- (5) As soon as my child is born, boy or girl, I'm going to quit, because the truth is that I don't want to work there (this person had a maquila job in order to obtain medical insurance for his pregnant wife).
- (6) One year, two years more.
 – And then?
 I'll change to something else. Something more productive, something more productive than the maquila. Because the maquila isn't anything, its only a normal job.
- (7) I don't know, I'm not sure. Sometimes I think it would be better to look for another type of work, fixing televisions or radios. You can work when you want to. If you get to work five minutes late, they don't yell at you. On the other hand, in the maquilas you have to be on time, when you are supposed to work. For missing work, that is when you lose money. Or you lose preference from the bosses and so they won't promote you (technician).
- (8) When I reach a certain age, I don't think so. It would be better to start my own business.
 – What kind of business.
 In the same field. A motor repair shop or for cars. There are a lot of options that I can pick from. The important thing is capital (technician).
-

stay working in the industry. Exhibit V contains a representative selection of responses to this question.

Forty-four line workers provided usable information to this question. Twenty-seven percent (12 people) stated that they did not want to continue to be employed by a maquila. Nine percent (4 people) stated that they were undecided. Sixty-four percent (28 people) indicated that they planned to continue in the maquila industry.

Of the eight active technicians in the sample, only two indicated that they planned to continue working in a maquila. Of the remaining six, three indicated that they would like to work outside the maquilas while three were undecided. Three of the technicians who wanted to leave or were undecided stated that they wanted to open up small electronic or car repair shops in the local area but they were restricted by a lack of start-up capital. They believed that these small shops had the possibility of being more lucrative and at the same time they could be their own boss.

Management interviews

The majority of maquila managers indicated that the direct wages paid to workers were equal to, but not above, the wages paid by other local employers. These managers frequently stated that the wages for unskilled production level employees were set by federal minimum wage laws. These laws have established roughly the same pay rates for maquila employment and for other jobs the typical maquila worker could find. While maquila managers did appear to have some flexibility to increase wages once an employee had been in the organization for a month or two, they were not openly competing with other firms for workers by raising starting wages.

The majority of the managers stated that the indirect benefits the maquilas offered were much better than what was available in the local non-maquila economy. Benefits mentioned included productivity bonuses, free food at plant cafeterias, educational opportunities, on-site medical staff, medical insurance, a clean environment, and advancement opportunities.

A small number of the maquila managers indicated that maquilas were attractive due to their stability and that they complied with their legal obligations as determined by Mexican labor law. One manager characterized many Mexican businesses as small, undercapitalized firms that commonly "fold and screw the employee." Another human resource director who had considerable experience in Mexican firms stated that Mexican companies often try to get away with not paying legally required benefits. This person stated that many small firms have problems meeting payroll expenses and do not have the ability, or in some cases the desire, to meet their legal obligations. She even went so far as to state that the maquilas are attracting migration flows because they follow through with what they promise to their employees.

Another common reason given by maquila management was that people found jobs at maquilas because they employ people who do not have other opportunities for formal employment. Many maquila workers had only completed their primary education. Maquila managers stated that non-maquila employers usually require that a person has completed their secondary education to be considered for anything above unskilled labor positions.

It is interesting to note the other sources of employment that were mentioned by maquila managers as being available to their employees. Managers believed that their male employees could find jobs in construction or in the service sector. Women with only a primary education had few options besides a lower level job in the service sector. These jobs mentioned included work as a maid or employment in a hotel or restaurant. If female line employees had completed their secondary education, there was the possibility of finding a job as a cashier. Other forms of factory work were not available.

Discussion and conclusion

The majority of maquila workers interviewed for this study indicated that they worked in a maquila due to the availability of maquila employment. Also, the majority of people that

had worked in jobs outside the maquila industry considered their maquila jobs more attractive even though they might be receiving less in direct compensation. The majority of maquila workers also planned to continue working in the maquilas. A minority of workers indicated that they felt they had the opportunity, if they wanted, to find employment outside the maquila industry. This group frequently indicated that they worked in a maquila for such reasons as the work was easier, they liked working indoors, there were more advancement opportunities when working in a maquila than in many non-maquila jobs, there were more social opportunities, and that there was more time off.

We recognize that the relatively small sample of 59 primarily male maquila workers may limit the generalizability of our findings. However, given the goals of the study and the requirements of the research methodology we felt it was more useful to conduct a relatively limited number of in-depth interviews instead of attempting to maximize sample size. While our sample was composed primarily of men, this was not deliberate. Using our door to door sampling methodology, we simply found more men than women to interview. It may also be possible that the maquila workers interviewed systematically biased their answers either for or against the attractiveness of maquila employment. While possible, we went to great lengths to reduce the possibility of systematic distortions. We conducted the great majority of the interviews away from the workplace in order to avoid the perception that we were somehow associated with maquila management, we promised that their responses would be completely confidential and anonymous, and we only asked "neutral" questions such as "Why did you decide to obtain a job in the maquilas?" and "How does your job compare with the jobs that your friends and family have?" so as to not suggest that we were either for or against the maquiladoras. Clearly, further studies using different samples and methodologies are warranted to replicate and extend our results.

The statements made by maquila workers suggest that the charges of widespread worker exploitation in the maquilas appear somewhat

exaggerated. If the standard used to evaluate maquila jobs are comparisons to the local labor market, maquilas appear to offer comparable or slightly more attractive employment than indigenous firms. However, an additional consideration is warranted before the conclusion is drawn that jobs in the industry are attractive. Mexico, like any country, has a lower, middle, and upper class. As the information on the work history of maquila workers clearly demonstrates, the great majority of maquila workers come from lower class backgrounds. People who have worked in such occupations as a laborer in construction, on a farm, or as a maid are probably the only group that would consider an entry level maquila job as attractive. In fact, the sections of the Cd. Juárez and Cd. Chihuahua with the highest concentrations of maquila workers are also among the poorest areas of those two cities.

A comparison to the labor market in the U.S. may help place the attractiveness of the typical maquila job in perspective in the Mexican economy. Considering the entire employment spectrum in the two countries, maquila jobs appear roughly equal in attractiveness to lower level service jobs in a convenience stores or fast food restaurants in the U.S. Both jobs typically pay the minimum wage in their respective countries, both attract either younger people looking for a temporary job while they are working towards something more attractive and/or people with limited social and economic mobility. The majority of people in the U.S. do not view a job in McDonald's as attractive; similarly the majority of people in the overall labor market in Northern Mexico do not view a job on the shop floor of a maquila as attractive. In short, maquila work is like a job at McDonald's; ideally a temporary stop on the way to something better.

In Hosmer and Masten (1995), Hosmer wrote that the people who suffer the most due to the maquilas are "the least amongst us: those with least income, least education, least influence, least ability to look after their own self-interest" (1995, p. 290). In contrast, our study discovered just the opposite. We found that young, unskilled men and women with lower class backgrounds were the group of maquila employees most likely

to benefit from maquila employment. When a person's immediate options consisted of either unemployment or working as an unskilled laborer, an entry level maquila job often represented a step up. In our view, it was only when a person had graduated a level or two above the "least amongst us" that maquila employment began to resemble an exploitative relationship. There are a significant number of attractive technical and administrative positions in the maquilas and these jobs should not be forgotten. However, in our view the true ethical dilemma created by the maquilas may not be whether they provide attractive employment but instead whether or not it is appropriate for a multinational to provide attractive employment for lower class workers in a developing country. In this context, a multinational providing an attractive job for a person struggling to survive at the bottom rung of the social and economic ladder may be a greater contribution to that country's development than one that provides an attractive job to a middle class bureaucrat. In our view, to state otherwise suggests a middle or upper class favoritism and a denial of the importance of the needs of the lower classes in developing countries. Hopefully, the entry level jobs like those offered by the maquiladora industry will not be necessary in the future as Mexico continues to develop economically. Unfortunately, today's reality indicates that maquila employment can play a productive role for lower class segments of the Mexican population.

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