

**THE IMPACT OF NAFTA
ON TRAINING AND DEVELOPMENT IN MEXICO:
THE PERSPECTIVE OF MEXICAN SENIOR GOVERNMENT AGENCY OFFICIALS**

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Abstract

This study explored the perceptions of Mexican senior government agency officials with regard to the impact of NAFTA on training and development practices in Mexico. This study was conducted using a phenomenological tradition within qualitative research. The major findings of the study indicate that Mexican senior government agency officials consider NAFTA as a driver for the implementation/development of training and development practices in Mexican companies. According to the participants' perceptions, NAFTA motivated the creation and development of national programs for training and development. The Mexican government has found in these programs a means to provide support to Mexican companies to increase their competitiveness.

International free trade agreements have brought not only opportunities but also challenges to companies attempting to participate in the global market (Cox, 2005). In the particular case of Mexico, the North American Free Trade Agreement (NAFTA) has been an example of the challenges and opportunities associated with free trade agreements. NAFTA was signed in 1993 between Mexico, the United States, and Canada with the purpose of creating a free trade market for products and services that would ensure the gradual elimination of tariffs (United States Department of Labor, 1993).

Mexican companies have faced different challenges in order to take advantage of the benefits associated with NAFTA. According to Carrasco (2005), NAFTA represented a challenge to the competitiveness of Mexican companies. Carrasco indicated that as a result of NAFTA, Mexican companies were pressured to achieve higher levels of quality, therefore, be more competitive and take better advantage of their technical and human resources. Only through extraordinary levels of performance and a commitment to produce high quality products can manufacturing firms gain competitive advantage in the global business environment (Subba-Rao, Raghu-Nathan, & Solis, 1999). McDermott, Mikulak, and Beauregard (1993) indicated that in order for companies to accomplish world class quality, it is essential to develop the workforce to its fullest potential.

According to Jennings and Moore (1995), investing in the development of employees has been imperative to compete in a global market. In fact, when NAFTA was signed in 1993, the governments of the United States, Canada, and Mexico agreed on complementing the economic opportunities created by NAFTA with human resource development (HRD) practices. This is

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explicitly stated in the North American Agreement on Labor Cooperation of NAFTA (United States Department of Labor, 1993):

The Government of the United States of America, the Government of Canada and the Government of the United Mexican States:

...RECOGNIZING their mutual prosperity depends on the promotion of competition based on innovation and rising levels of productivity and quality; SEEKING to complement the economic opportunities created by the NAFTA with the human resource development, labor-management cooperation and continuous learning that characterize high-productivity economies...(Preamble section)

... RESOLVED to promote, in accordance with their respective laws, high-skill, high-productivity economic development in North America by investing in continuous human resource development...(Preamble section)

HRD practices have been considered as a means to gain competitive advantage for the organization. Torraco and Swanson (1996) considered HRD practices as a source of competitive advantage that can potentially influence the performance of the organization. According to Torraco and Swanson, the role of HRD as a source of sustainable competitive advantage is to develop the skills and capabilities of the workforce.

Within the realm of HRD practices, training and development comprise the largest area (Swanson & Holton, 2001). Through the development of skills, cultivation of attributes, and providing of information, individuals can become more effective. By contributing to the development of employees, training and development practices support organizations in achieving their goals.

Focusing on Mexico, Mendoza (2004) stated that training is one of the first, necessary steps to activate the development of Mexico. Training has a transcendental impact on the production processes; therefore, it is one of the best approaches to enhance production. Mendoza added that it is fundamental for the Mexican government to design policies that foster training at all levels of the organization. Developing the potential skills of the workforce to its maximum expression will result in stronger and more competitive organizations in Mexico.

By the same token, Hernandez and Lanksher (2000) suggested that as a consequence of NAFTA, the Mexican government needs to make integral adjustments to its agenda to include training and development of the workforce. Training is essential to upgrade the skills of Mexican workers in order to become more competitive to face the challenges associated with NAFTA (Organization for Economic Cooperation and Development, as cited in Hernandez & Lanksher).

Due to the impact that training and development can have on supporting organizations to face the challenges associated with NAFTA, it is imperative to explore if NAFTA has been a true motivator for the implementation of training and development practices in Mexico.

Problem Statement

Solis, Raghu-Nathan, and Subba Rao (2000) suggested that companies looking to achieve high levels of quality need to use in an efficient manner the talents and abilities of their workforce. In addition, Solis et al. considered that through training, the potential of the employees can be maximized. Training has become essential for those companies eager to achieve world-class quality. Carrasco (2005) indicated that NAFTA put pressure on Mexican companies to increase quality and become more competitive by enhancing the capabilities of the workforce. However, even though training can have a positive impact on the competitiveness of Mexican companies, few, if any, studies have examined the impact that NAFTA has had on training and development practices in Mexico. Research that directly explores the link between NAFTA and training and development practices in Mexico is needed. The few authors (e.g., Beck, 2001; Dooley, Paprock, Shim, & Gonzalez, 2001; Hernandez & Lanksher, 2000; Subba-Rao et al., 1999) who were identified to have addressed training and development in Mexico emphasized the importance that NAFTA has had on Mexico and the need for Mexican companies to address the use of training and development practices.

The purpose of this qualitative study was to explore the perceptions of Mexican senior government agency officials in Mexico with regard to the impact of NAFTA on training and development practices in Mexico. By describing the participants' perceptions regarding NAFTA, the researcher explored if NAFTA has been perceived as a driver for training and development of human resources in Mexico.

Theoretical Framework

This study has been guided by the general system theory (Mackey & Thomas, 2003) and the human capital theory (Becker, 1993). Based on the system theory, organizations are systems where one part of the organization affects the other parts (Mackey & Thomas, 2003).

Swanson and Holton (2001) indicated that system theory plays a decisive function in explaining the role of HRD interventions on organizational performance. According to Swanson and Holton, the performance of the organization is dependant on every single part of the organization. HRD practices are hosted in systems (organizations). Therefore, HRD practices as a part of the system can influence and shape the whole system. HRD practices can potentially affect the performance of the organization as a whole. Senge (1990) indicated that one of the main characteristics of the system theory relates to adaptation. Organizations, as systems, are continually impacted by the environment and need to be able to adapt themselves in order to survive and face the challenges created by the environment (Senge). Solis et al. (2000) stated that one of the factors that have had the greatest impact on organizational environments is globalization. Within the context of globalization, NAFTA has transformed the business rules for Mexican organizations by forcing them to operate under a very competitive environment at the national and international levels (Solis et al.). It can be expected, based on the system theory characteristics, that training and development interventions can shape the entire organization and be used as an organizational tool in the process of adaptation to the new environment created by NAFTA.

However, even though the system theory can help understand why training and development practices can have an impact on the whole organization, the system theory is not enough to understand why the impact of training and development can be positive. The human capital theory (Becker, 1993) can help understand why training and development practices can have a positive impact on the organization.

According to Swanson and Holton (2001), human capital “refers to the knowledge, expertise, and skill that accumulate through education and training” (p. 109). According to the human capital theory, capital invested in education and training will enhance learning which translates into productivity (Becker, 1993). Training and education increase productivity by equipping the workforce with proficient skills, knowledge, and attitudes (Aliaga, 2001).

Zidan (2001) indicated that human capital theory considers human capacities such as knowledge and skills as fundamental components of the capital of a country. Hogendorn (1996) pointed out that, according to the human capital theory, investments made on developing the capabilities of the workforce through training provide economic returns for the organization and for the country. Based on the human capital theory, training contributes to increased competitiveness of the organization. Training is the most tangible aspect of human capital theory. According to the human capital theory, training enhances the knowledge, skills, and attitudes of the labor force to make it more competitive. By doing this, training increases productivity, which leads to an increase in economic gains (Zidan, 2001).

Based on these two theories, system theory and human capital theory, training and development can be used as a means to positively shape Mexican organizations to help them better adapt to the environment created by NAFTA.

NAFTA and Training and Development in Mexico

Research that explicitly studies the impact of NAFTA on training and development in Mexico was not identified. However, there is research that suggests that NAFTA has been a driver for HRD interventions with emphasis on training and development in Mexican companies (e.g., Beck, 2001; Hernandez & Lanksher, 2000; World Bank, 2006). The World Bank (2006) stressed that it is essential that Mexico develop its workforce in order to take advantage of the economic opportunities created by NAFTA. In fact, the World Bank, in conjunction with the Mexican government, designed a Country Assistance Strategy (2004-2008) in which the improvement of the workforce skills is considered essential so as to increase the competitiveness of Mexico. Moreover, this strategy emphasizes the importance of the creation of public policies that support the improvement of competitiveness in Mexico.

Beck (2001) indicated that NAFTA could work as an economic engine for the development of a new organizational structure that could strengthen labor in the Americas. Beck proposed a new HRD organization model that coordinates training and credential tasks through NAFTA. According to Beck, free trade agreements such as NAFTA have an impact on the economic health, regional stability, and the development of social institutions. Beck suggested that adult education is necessary in order to take advantage of the economic opportunities related to NAFTA. The new organization created by NAFTA needs to embrace learning as a means for

economic development. Beck suggested that training plays a significant role in economic development because it improves the skills of the workforce through learning.

Subba-Rao et al. (1999) suggested that NAFTA is a motivator for Mexican companies to conduct HRD practices as a means to achieve total quality. Dooley et al. (2001) also suggested that NAFTA played a role in encouraging Mexican companies to look at HRD practices. Dooley et al. stated that “an important commitment of the signing of the free trade agreement (NAFTA) was the collaboration specifically in the educational and professional training fields” (p. 19).

The relationship between NAFTA and training and development is clearly suggested by Hernandez and Lanksher (2000) when stating, “Training is a key context for the kind of workforce upgrading deemed necessary for Mexico to become competitive within NAFTA” (p. 241). Hernandez and Lanksher suggested that if Mexico wants to participate in the benefits of NAFTA, it needs to implement policies and programs for training its workforce.

The relationship between NAFTA and training is also made evident in Article 14 of the North American Agreement on Labor Agreement of NAFTA. In Article 14, it is stated that the Commission for Labor Cooperation of NAFTA, “...shall periodically prepare background reports, setting out publicly available information supplied by each party on... d) human resource development issues such as training programs...” (U.S. Department of Labor, 1993, Article 14, para. 5).

Research Questions

The following research questions guided this study:

1. How do government agency officials perceive NAFTA as a driver for the implementation of training and development practices in Mexico?
2. How do government agency officials perceive NAFTA as a driver for the implementation of a national policy for training and development in Mexico?
3. How do government agency officials perceive the support that the government offers to exporting companies for the implementation of training and development practices in Mexico?

Research Design and Methodology

This study was conducted following a qualitative research design. The qualitative tradition that was used in this study was phenomenology. The focus of phenomenology is to understand a phenomenon by describing the meaning of the participants’ experiences with the phenomenon (Creswell, 1994). In this study, the researcher attempted to understand the meaning of Mexican government agency officials’ perceptions with regard to the impact that NAFTA has had on training and development practices in Mexico.

Dooley and Lynham (2003) suggested that when conducting research in the field of HRD, phenomenology is particularly effective. Because HRD is a discipline that deals with human values, HRD researchers should be responsible for research that conducts a deep

understanding of phenomena that affect the performance of human resources (Rothwell, Sullivan, & McLean, 1995).

Sample Selection

The selection of the participants for this phenomenological study was based on purposeful sampling. By choosing the participants in a purposive manner, the researcher was able to obtain rich information from the participants that led to a deep understanding of the topic being investigated. The sampling strategy that was used in this phenomenological study was criterion sampling. In order to meet the criterion, the participants of this study had to be senior officials from the key major public sector agencies responsible for the design of programs directed to support training and development practices in Mexican companies. By choosing top officials, the researcher was able to obtain rich information about the topic being investigated. The sample size of the study consisted of five participants, which is considered an appropriate sample size for phenomenological studies (Creswell, 1994). In order to select the five participants for the study, it was necessary to identify the key government agencies responsible for programs that support the development of human resources in Mexican companies located in the state of Yucatan, Mexico. The identification of these agencies was done through official government Web sites and through the support of the Secretary of Economic Development of Yucatan.

All participants chosen for this study were senior government officials who worked for key major public sector agencies that support training and development practices in Mexican companies; therefore, all participants met the pre-established criterion for participation in this study. The main government agencies responsible for the national policy of training and development in Mexico are the following: the Ministry of Labor, the Ministry of the Economy, The Mexican Bank of Foreign Trade, and the Secretary of Economic Development (Comision Intersecretarial, 2006). A senior official from each of these agencies participated in this study.

Data Collection Procedures

A standardized, open-ended interview guide was used as the method for data collection. Open-ended interviews are particularly effective when conducting research that explores participants' perceptions (Berg, 2004; Patton, 2002). The interview guide included 11 questions. The interview was piloted with a Mexican government agency official in order to obtain reliable and meaningful data. No substantial changes resulted from the pilot interview. Only two words from two different questions were changed. The type of questions that were asked in the interview was opinion and knowledge questions, as recommended by Patton (2002). Two of the main interview questions were: "What do you think is the ultimate goal of the government programs that support training and development of human resources?" and "How do you perceive that NAFTA has influenced the creation of national programs for the training and development of human resources?" The translation of the interview protocol into Spanish was validated by using the Brislin method of back-translation (Brislin, 1970).

Demographic questions such as level of education, position title, and years in the leadership position were included. The average years of experience of the participants in

leadership positions were 19.2 years. Four participants were male and one female. Out of the five participants, two indicated to have undergraduate college degrees and three to have graduate degrees. All of them held top management positions in their organizations.

The interviews were limited to a one-shot. All participants were asked the same questions. The length of the interview was of approximately 50 minutes. The interviews took place in the offices of the Mexican senior officials. There were not any cultural/linguistic misunderstandings because the researcher is from Mexico and shares the culture and language of the participants. The interviews were conducted in Spanish. The interviews were audio recorded with the authorization of the participants. After each interview, the researcher transcribed the interview. The transcribed interviews were sent to the participants for review; this procedure confirmed if the transcripts truly represented what the participants attempted to say in the interviews. Once all participants confirmed the accuracy of the transcripts, the tapes were destroyed.

Data Analysis Procedures

Constant comparison analysis was used to interpret the gathered data. According to Leech and Onwuegbuzie (2006) constant comparative analysis is the most frequent type of analysis that is used in qualitative studies. The first step in the data analysis was to read the transcribed interviews in detail in order to obtain a sense of the collected data. Notes were written next to those statements that were considered helpful for answering the research questions. After giving a general review to all the collected data, the researcher proceeded to the description of meanings of the participants' perceptions. In this step attention was placed on those statements that spoke to the research questions. After getting a good sense of the data collected and the meaningful statements, the information was reduced by eliminating those statements that did not contribute to answering the research questions. There were statements that were not related to the phenomenon being investigated. Colaizzi (1978) suggested that by extracting only significant statements, information that is needless is eliminated from the analysis.

Once the data were reduced, data that were relevant to the experience of the participant with the phenomenon being investigated were displayed for analysis. In this study, in order to be able to conduct a valid analysis of the data, the data were presented in tabular worksheets. The data were displayed in a systematic way to allow the researcher to answer the research questions (Miles & Huberman, 1994). The significant statements or horizons that were relevant to answer the research questions were spread out in these worksheets (Moustakas, 1994).

The displayed data were compared and contrasted. Compare/contrast is a technique for generating meaning that enhances understanding (Miles & Huberman, 1994). By comparing the interview transcripts, the researcher was able to see if the answers given by the participants were confirmed or contradicted. The answers of the different participants were compared in a constant manner. First, each participant's answer for each interview question was analyzed, and then each interview question across all the respondents was analyzed. The researcher moved back and forth through the answers of the participants.

Color-coding was used as a technique to code the information; coding allows for the organization and classification of the transcribed data (Patton, 2002). Different colors were used to code the different concepts and themes that emerged. The next step in the data analysis was the clustering of the coded data. After the meaning of the statements made by the interviewees were examined and coded, the statements were clustered by themes. The next step in the analysis of the data was the interpretation of the clustered information. As a result of the constant/comparison analysis of the interview transcripts, four major findings relevant to the research questions that guided this study emerged. These findings are presented below.

Findings and Discussion

The main findings that emerged from the interviews indicate that Mexican senior officials who participated in this study considered NAFTA as a motivator for training and development practices. The participants perceived that NAFTA influenced Mexican companies to be more competitive. According to the interviewees' perceptions, the Mexican government found in training and development of human resources a means to increase competitiveness. In addition, the participants of the study considered that the Mexican government is adequately supporting, through training and development, exporting companies in becoming competitive. These findings provide foundational support to answer the research questions that guided this study.

NAFTA as an Opportunity and its Impact on Competitiveness

All the senior government officials who participated in this study concurred that NAFTA resulted in an opportunity for Mexican companies. Participants indicated that NAFTA was an incentive for companies to export and access the largest market in the world. Participants perceived that the elimination of tariffs and deregulations that the treaty brought were an incentive for the exporting activity in Mexico. Participants agreed that NAFTA created facilities to access the North American market. This resulted in an increase in Mexican exports and, consequently, in the advancement of the exporting culture in Mexico. This thought is represented by the comment of Participant 3 who said, "NAFTA has contributed to competitiveness; it has influenced productivity. NAFTA has encouraged Mexican companies to be more competitive, to give more training, to innovate, to train their personnel." Participant 5 also considered that NAFTA has been an opportunity for Mexican companies because it contributed to the creation of programs that increased exports. He stated, "As a result of NAFTA, the federal government started a series of programs to promote exports. This was done with the objective to increase the exporting activity in the small and medium size companies."

Participants perceived that NAFTA changed the competitive environment of companies in Mexico; NAFTA especially affected the competitive environment of small and medium size companies. Participant 1 stated:

I think that one of the main impacts of NAFTA was on small and medium size companies (SMEs). I think it is important to point out that NAFTA created opportunities never thought of before. NAFTA gave Mexican companies the opportunity to access the largest market in the world with tariff preferences. NAFTA modified the competitive environment of the SMEs.

Participant 3 stated “NAFTA has contributed to competitiveness; it has influenced productivity. NAFTA has encouraged Mexican companies to be more competitive, to give more training, to innovate, to train their personnel.”

Participants concluded that NAFTA was a strong motivator for Mexican companies to become more competitive and, in general, for Mexico to become more competitive as a country. Previous research had suggested that NAFTA motivated an increase in the competitiveness of Mexican companies. According to Solis et al. (2000), one of the factors that have had the greatest impact on organizational environments is globalization. The authors suggested that NAFTA has transformed the business rules for Mexican organizations by forcing them to operate under a very competitive environment at the national and international levels.

Training and Development as a Means to Increase Competitiveness

The role that training and development of human resources plays on the competitiveness of the company was acknowledged during the interviews. All the senior officials involved in the study associated training and development with competitiveness. For example, Participant 3 indicated:

As we all know the ultimate objective of these programs is to increase competitiveness. I think that this always has been the objective. I believe that NAFTA has been a contributor to the development of Mexican companies. Free trade agreements, globalization, and neoliberalism have forced the government to take certain steps to help us to be more competitive and increase the productivity of the country.

Participant 2 stated “The main objective of these programs is to make Mexico a competitive country within globalization, not only within NAFTA but also within globalization.”

Participants added that training increases productivity; thus, it increases competitiveness. In addition, participants showed concern about business owners not investing enough in training. For the senior government officials involved in this study, investments in training are investments in productivity and competitiveness. These findings are consistent with the view of training and development as a means to increase productivity and competitiveness. This view has been widely addressed in the literature (e.g., Aliaga, 2001; Huselid, 1995; Ripley, 2000). In addition, these findings are consistent with the human capital theory (Becker, 1993) that provided the framework for this study. According to the human capital theory, training enhances the knowledge, skills, and attitudes of the labor force to make it more competitive.

The majority of participants indicated that the ultimate goal of the government in supporting training and development practices is to increase the competitiveness of the Mexican companies. For example, Participant 5 stated, “The main objective of the training program that we promote is to increase the competitiveness of Mexican companies through the development of competitive workers, favoring at all times human development.” Participants stated that NAFTA and globalization have forced Mexican companies to be more competitive. According to the participants, the government has found that training and development practices favor the development of competitive workers, thus, improving the competitiveness of the organization.

NAFTA as a Driver for National Programs of Training and Development

Participants considered NAFTA as a driver for the creation of national programs on training and development. All the interviewees agreed that national programs on training and development provide support to companies to improve their competitiveness. This support is provided through different tools, such as consulting, technical assistance, training, and financial support. Participants indicated that the national programs on training were created by the federal government with the purpose of developing the workforce and increasing productivity and competitiveness. By doing this, companies can achieve better economic gains. For example, Participant 1 declared:

In the process of opening of the Mexican economy, NAFTA was a tremendously important event. NAFTA had an influence on the creation of training programs and on the improvement of those that already existed. I believe that the government saw the need to improve existing programs and introduce new programs to improve the possibilities of the Mexican companies in the USA and Canada.

For Participant 3 there was no doubt that NAFTA had a direct impact on national programs for training and development. The participant expressed these thoughts saying, "I do believe that NAFTA has had a direct impact on national programs for training and development. NAFTA represented an opportunity but at the same time a threat to become more competitive."

These findings are consistent with the three main assumptions of the human capital theory. The first assumption is that education and training lead to learning. The second underlying assumption of human capital is that learning translates into productivity. The third assumption indicates that increases in productivity lead to better salaries for employees and more gains for the organization (Swanson & Holton, 2001).

Participants of the study concurred that NAFTA was a driver for the creation of national programs of training and development. The interviewees manifested that NAFTA had an impact on existing programs of training and development. Participants indicated that some programs existed before NAFTA; however, they were improved as a result of NAFTA. For example, Participant 2 stated:

NAFTA has helped us to be more conscious that in order to compete in globalization we need better preparation. In Mexico, we are working on training; there are many training programs. Some of these training programs existed before NAFTA; however, they changed and aligned with the function of NAFTA. We have to be a country that is competitively based on education and training.

The senior officials noted that NAFTA helped to understand that in order for Mexican companies to compete in the global world it was essential to be more competitive. These findings provide confirmation of suggestions made in the literature about NAFTA serving as a motive for the Mexican government to create national programs on training and development.

Government's Support Provided to Exporting Companies on Training and Development

The interviewees indicated that the government programs that support training and development are providing visible results and are helping to increase the competitiveness of the Mexican companies in order to face the challenges associated with globalization. Participant 4 declared, "These programs are working very well, with tangible results for the short, medium and long terms." According to this participant, these programs are playing a significant role in encouraging the exports of the country. Participant 1 stated:

I think that the Mexican government recognizes the importance that the exporting sector has on the economy. We are among the top ten exporters in the world. Mexico's exports are number one in Latin America. This is why the Mexican government is concerned about providing support to exporting companies; there is great interest in training..... In my perception, the government is making a remarkable effort with its policies and programs that promote training and development.

Participant 5 concurred with the other participants in stating that the government programs that support training in exporting companies are having success. The participant indicated, "These programs are working very well, with tangible results for the short, medium and long terms."

The officials stressed the importance that the exporting activity has for the Mexican economy and the need of training for exporting companies. These findings support the argument of the human capital theory, which indicates that the effects of developing human resources go beyond individuals and organizations; these effects have the potential to impact the economy of the country (Zidan, 2001). Urteaga-Trani (2003) stated that Mexico has designed training programs specifically targeted to help exporting companies face the global competition as a result of NAFTA. The Mexican government, through the Mexican Bank of Foreign Trade, has established specific programs to provide training to employees of companies looking to export. According to the Inter-Government Agency of Industrial Policy, there are a total of 20 different training programs promoted by the Mexican government. Among the most important programs are: Training Support Program, the Technical Training Assistance Program, the Quality and Modernization Program, and the Program for the Modernization of the Organization (Comision Intersecretarial, 2006).

Conclusion

Based on the perceptions of the Mexican senior government agency officials who participated in this study, NAFTA has been a driver for the implementation of training and development practices in Mexico. These agency officials perceived that NAFTA represented an opportunity for Mexican companies at the same time that it pressured companies to be more competitive. In addition, they perceived that training and development practices represent a means to increase the competitiveness of the company. These findings are consistent with the system theory and human capital theory that frame this study. Based on the premises of the system theory, training and development practices can shape organizations that host them by impacting the entire organization. Organizations can use training and development as a means to

face environmental changes such as NAFTA. According to the human capital theory, training enhances the knowledge, skills, and attitudes of the labor force to make it more competitive (Zidan, 2001). These findings confirm the suggestions made in the literature about NAFTA being a driver for training and development in Mexico (e.g., Hernandez & Lanksher, 2000; Subba-Rao et al., 1999).

In addition, the participants of this study perceived NAFTA as a driver for national policies for training and development in Mexico. Mexican senior government agency officials perceived that national programs of training and development provide different types of support to companies so they may become more competitive. The participants perceived that NAFTA has acted as a driver for the creation and development of national programs for training and development. Lastly, another major finding of this study indicates that senior government agency officials perceived that the Mexican government provides adequate support to exporting companies for the implementation of training and development practices. The participants considered that exporting companies need to be very competitive in the global market if they want to succeed. In this regard, the participants perceived that the support that the Mexican government provides in training and development to exporting companies is appropriate. However, they also perceived that there are areas that can be improved on in order to provide better support.

Implications for Practice and Research

This study investigated senior government agency officials' perceptions about the impact of NAFTA on training and development practices in Mexico. Because this study was conducted using a purposeful sampling of five managers, the findings are not intended to be generalizable and do not support all the aspects related to NAFTA and training and development in Mexico. Rather this study specifically offers insight into how senior government officials perceive NAFTA as a driver for training and development in Mexico.

Implications for Practice

International free trade agreements that have resulted from globalization processes represent opportunities and threats to companies and countries (Cox, 2005). Research shows that challenges associated with globalization processes have been faced, to a certain extent, with HRD practices (e.g., Marquardt & Berger, 2003; McLean & McLean, 2001). Based on the findings of this study, NAFTA put pressure on Mexican companies to be more competitive. The findings of this study indicate that Mexico has found in training and development practices a means to face the challenges associated with globalization. The Mexican government has found in training and development practices a means to improve the capabilities of the workforce and consequently the competitiveness of companies. The findings of this study suggest that, due to its impact on competitiveness of the company, training and development practices are considered by the Mexican government essential for the economic development of the country.

These findings provide valuable information about how training and development has impacted the emerging Latin American economy. Mexico is the second largest economy in Latin America, and the number one exporter in the region. The exports of Mexico represent 40% of the

total exports in Latin America (Mexican Ministry of the Economy, 2006). There is definitely a need to explore the experiences of Mexico and thus to offer enlightenment for those countries with comparable cultural and social contexts. The strategy of the Mexican government in training and development could be adopted by countries similar to Mexico.

Implications for Research

This study contributed to new knowledge in the field of training and development by focusing on training and development as a means to help Mexico successfully increase the competitiveness of the companies so as to better face the challenges brought by NAFTA. The Mexican government has made training and development a national policy and an essential strategy for the economic development of the country. The approach taken by the Mexican government in training and development could be of value for those countries that have found in free trade agreements a means for economic development.

This study was exploratory in nature. Therefore, more research needs to be conducted to expand the knowledge about the impact of NAFTA on training and development practices in Mexico. Based on the insights obtained from this study, significant areas of study can be recommended for future research. This study explored the perceptions of government officials; however, the findings of this study can be enhanced by research that explores the perceptions of company owners about the impact of NAFTA on training and development. In addition, it is recommended to investigate how NAFTA affected training and development practices in exporting companies versus domestic companies. According to the insights provided by participants of the study, domestic companies also needed to increase competitiveness as a result of NAFTA. In addition, because NAFTA involves Mexico, the United States, and Canada, future research may explore the impact of NAFTA on training and development practices in the United States and Canada. A study of this nature would provide tremendous insights into the impact, if any, of NAFTA in the training and development practices of these countries. Being able to compare how NAFTA affected training and development practices in the three NAFTA countries would allow researchers to establish a better criterion for the use of training based on economic development. Finally, even though the participants of this study work for federal agencies, they were limited to one state in Mexico (Yucatan). Future studies may include a sample that includes participants from different states of Mexico.

International studies that deal with national policies and programs in training and development provide important insights for HRD practitioners and scholars who look to better understand HRD in the international context. McLean and McLean (2001) stated,

If we are to create a body of knowledge that is relevant to academicians and practitioners around the world, the definitions we use must be inclusive of the range of contexts that exist in the multitude of nations in which we live and work. (p. 322)

This study provides practical applications for practitioners and academics in HRD in Mexico, or in the field of international training and development. This study calls HRD practitioners and scholars to place attention on the impact that international free trade agreements such as NAFTA can play on training and development practices.

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