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GT ENERGY GROUP OF MEXICO: ENERGIZING A TEAM MEMBER

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In November 2021, Raquel, Deputy Director at GT Energy Group of Mexico, was assigned to manage a recently adjusted team in the Biofuels department. Increased goals and expectations for 2022 were communicated to the team from higher-ups. After seven months of adapting to her new responsibilities, Raquel identified that Tomás, one of the team members, only partially met the job expectations, mainly due to his attitude. Despite Raquel's attempts to lead Tomás, he seemed to be increasingly ineffective in his role, with consequences for the team and the projects. Additionally, Tomás made inappropriate comments about Raquel's appearance and failed to acknowledge her authority.

Raquel made efforts to mitigate Tomás' inappropriate behavior while striving to improve his performance. She scheduled weekly one-on-one meetings with him. She created a development plan for Tomás to monitor his own work. Nonetheless, Tomás' poor performance became known to Raquel's superiors. Because of this, she was suddenly faced with the decision of whether to continue working with Tomás, request to transfer him to another department, or terminate his employment.

When Hector, the new general manager, learned about the issue, he wanted to terminate Tomás immediately – but doing so would be costly to the Mexican company given Mexican employment law. Hector looked to Raquel for another way to remedy the situation.

Company Background

GT Energy Group of Mexico was a company focused on renewable energy projects, including a unit dedicated to electricity generation projects. In 2020 the executives of the unit were replaced, and the departments and employees of the unit were reassigned to new teams. The change in management personnel occurred for a variety of reasons, including incomplete projects, unresolved audits, and poor team performance. Hector, the new general director of GT Energy Group of Mexico, took over in November 2020 and found that the departments were overloaded. His first directive was to reassign teams and responsibilities.

The Reassignment of Teams

Hector oversaw the reorganization of this unit and the structuring of new teams. The Biofuels department did not have a director and had been run for the past year by the deputy director, Raquel. After analyzing the responsibilities in the department, Hector reorganized the team with two deputy directors, Raquel and Tomás, and one staff support person, Sandra.

Team Members

Hector. After three years at the company, Hector was promoted to general director. Even though he came from a different area, he had a good understanding of the matters and procedures of the renewable energy industry. His first change was realigning teams based on team members' expertise. Although the employees did not always agree with Hector's changes, they adhered to the directives. Hector was polite, often charismatic, and seemed like a good leader. He was always looking to make every employee feel appreciated. After examining the

way the biofuels department worked, Hector found that Tomás was avoiding his responsibilities, and noticed that Raquel, as the head of the team, neither fixed nor reported the problem. In October 2021, Hector spoke with Raquel and instructed her to remove Tomás from the team due to his poor performance.

Raquel, a young woman, was deputy director of Biofuels, with three years of experience within the department. In 2019, Raquel's boss had resigned; when he did, he gave Raquel the plans and budgets for the following years, and instructions on how to run the department. When Hector assigned additional employees to the team, Raquel oversaw the new employees' onboarding process and supervised their initial work. In June 2021, she was promised a promotion to director of the Biofuels department. Raquel was the admittedly inexperienced boss of Tomás and Sandra but was also highly motivated to succeed to help all the people in her team succeed. Raquel became increasingly concerned after noticing shoddy work from Tomás and listening to Sandra's constant complaints about having to correct Tomás' work. In October 2021, after Hector talked to her about Tomás, Raquel reassured Hector that she would work to motivate Tomás and get him to improve the quality of his work.

Tomás worked at GT Energy Group for 4 years and was moved between three different departments before his promotion in 2020 to deputy director. His expertise was mainly in topics related to energy efficiency. When he was reassigned to the Biofuels department, he did not like the idea, but he accepted the promotion. Essentially, Tomás had transited from a support (staff) role to role with direct responsibilities in the biofuels department. In Biofuels, there was a relatively heavy workload of projects, and the department had experienced some delays. Most people would describe Tomás as very friendly and charismatic, but sometimes careless. When Raquel expressed her concerns about his performance, Tomás attributed it to being on a learning curve and claimed not to fully understand his new tasks. He assured Raquel that he would be more careful in the future. Tomás was confident that in the worst scenario Hector would move him to another department or allow him to go back to his previous position.

New Year Expectations

Happily, the problems of the Biofuels department from 2020 were nearly resolved, and the new goals for 2022 were ambitious. Nonetheless, Raquel was confident that the department could reach them. All was looking positive. However, in January Raquel was called to Hector's office. The problem? Continuing complaints about the quality of Tomás' work. She explained to Hector that she had scheduled weekly one-on-one meetings with Tomás. She created a development plan for Tomás to monitor his own work. Nonetheless, his work remained substandard. Raquel communicated it was easier to do the work herself than to completely rework Tomás' product. She asked Hector to transfer Tomás. to another department.

Hector reprimanded Raquel for not firing Tomás when she first had evidence of poor performance. No, Hector explained, he would not transfer Tomás to another department – instead, Raquel would have to convince him to resign. The meeting did not end well.

After the meeting, Raquel researched GT Energy's human resource policies on termination of employment. She learned the termination process required Hector's approval. She knew Hector would not be willing to approve the termination process because it would take at least two months or more. Raquel met with Hector and explained the policy. Hector indicated that the company could not wait; instead, Raquel should ask Tomás for a letter of resignation. Hector hinted that if Raquel continued to perform well, she would be promoted to Director of the Bioenergy department – a significant increase in her formal authority, prestige, and compensation. Continuing to perform well, Raquel thought, seemed to imply getting rid of Tomás.

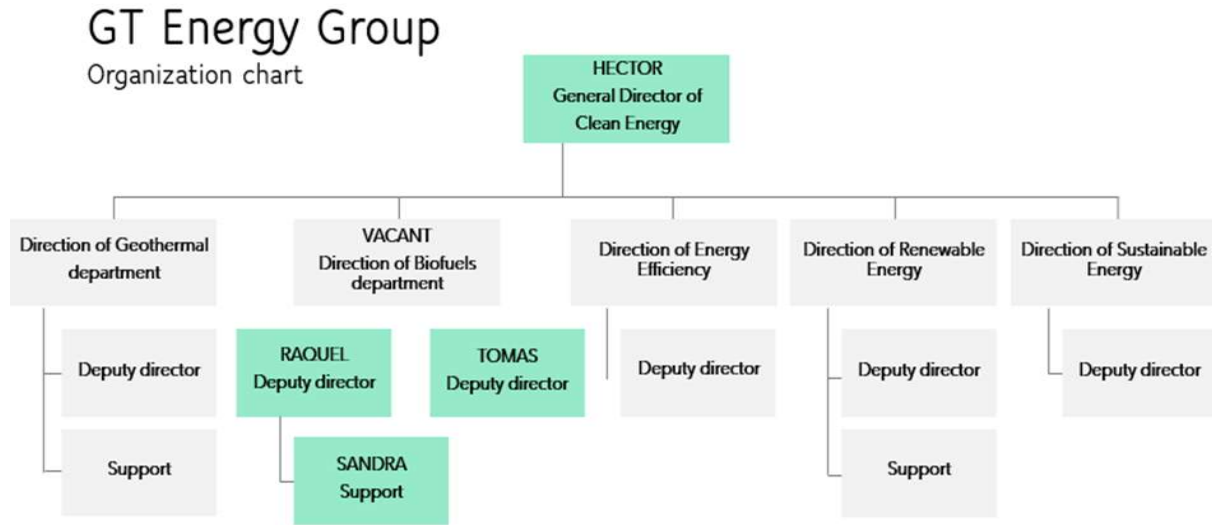
The Ultimatum

Hector requested a report with all the documented incidents of Tomás' performance. He further informed Raquel that she would need to have a meeting with Tomás the following morning. Hector tried to convince Raquel that she would learn a lot from the meeting and surprised her by saying he would be out of the office in the morning for an important assignment. Nonetheless, the company would provide a lawyer to accompany Raquel at the meeting with Tomás.

The following morning, Raquel, the lawyer, and Tomás met. In the meeting, Raquel read a long list of documented incidents of Tomás' poor performance. Tomás agreed that the concerns were valid, but some of them were not entirely accurate. In the heat of the conversation, Raquel said that the incidents were indeed accurate, and that she had not even included Tomás' unbelievable excuses for not delivering results, or the inappropriate comments that he made about her. After this outburst, the lawyer requested more information about the comments. Raquel described to the lawyer some of Tomás' comments about her attire and her physical appearance.

The lawyer asked Raquel if she asked Tomás to stop making these comments. She said yes. He asked her if after asking him to stop, he kept it up. Raquel said yes; even though she suspected that Tomás had not meant the comments in a bad way, the comments made her feel uncomfortable. The lawyer then asked Tomás if what Raquel had said was true. Tomás confirmed he had indeed made some comments but said that Raquel must have misunderstood him. The meeting ended with the lawyer telling Tomás that the company had a zero-tolerance policy for sexual harassment. The ultimatum: either Tomás would resign or his employment at GT Energy would be terminated.

Appendix A. GT Energy Organization Chart



Appendix B. Sexual Harrassment Legislation in Mexico

CERO TOLERANCIA al Hostigamiento Sexual y al Acoso Sexual

The National Institute for Women and the Mexican Government created the Zero Tolerance campaign for public service personnel and citizens to join in the construction of a culture free of *Hostigamiento Sexual* and *Acoso Sexual* (sexual harassment), promoting prevention in the work environment and designating a single national procedure for attention, sanction and registration of cases.



Hostigamiento sexual and *acoso sexual* were defined as conduct of a lewd, unwanted, and improper nature exhibited in the workplace. To the extent that such behavior humiliates, offends, intimidates, and violates women's health, integrity, dignity, professional opportunities, and human rights, it constitutes an expression of sexual and gender violence.

According to the General Law on Women's Access to a Life Free of Violence, *Hostigamiento Sexual* is defined as:

"The exercise of power, in a relationship of real subordination of the victim to the aggressor in the workplace and/or school. It is expressed in verbal, physical, or both behaviors related to sexuality with lascivious connotations."

Acoso Sexual is defined as:

"A form of violence in which [...] there is an abusive exercise of power that leads to a state of defenselessness and risk for the victim, regardless of whether it is carried out in one or several events."

Both behaviors express an exercise of power that leads to a state of defenselessness and risk for the victim, regardless of whether it is carried out in one or several events. A crucial element is **consent** or lack thereof. That is, if such behaviors are not desired, allowed, or explicitly tolerated by two or more people who participate in them, the conduct of a sexual nature that invades the space of psychosexual freedom constitutes an act of sexual harassment.

Appendix C. Ethical and Legal Considerations

Ethical and legal confrontations can be common in the workplace. There is a fine line between the two: law dictates how a person must behave, while ethics dictates how a person should behave.

Forced Resignation: A forced resignation is when “an employee quits his or her position of employment as a result of pressure from managers, supervisors, or members of a board” (Palmquist, 2023). In both Mexico and the United States, forced resignation is not typically unlawful, but can be an opportunity for the employee to negotiate a deal upon exit.

At-will Employment – Mexico: Mexico does not have at-will employment. Instead, individuals enter into individual contracts with employers. Because Mexico does not have at-will employment, the reason for termination must be justified cause as listed in Mexican Federal Labor Laws. An unjustified cause for dismissal entitles the employee to sue for wrongful termination.

Severance upon Termination:

Voluntary Resignation: In Mexico, when there is a voluntary resignation, the employer must pay all benefits due, including sales incentives, on a prorated basis up to the termination date. If the employee has at least fifteen years of seniority, he is entitled to a seniority premium of twelve days’ salary for each year of service, capped at twice the minimum daily salary in force.

Termination with Cause: The employer must pay all benefits due, including commissions, on a prorated basis until the date of termination, and the seniority premium of twelve days of salary for each year of service (but with a cap of twice the minimum daily salary per the terms above).

Termination without Cause: Employees who are terminated without cause are entitled to the following lump sum severance: (1) three months of the employee’s daily aggregate salary, (2) plus twenty days of the employee’s daily aggregate salary for each year of service; (3) plus a

seniority premium of twelve days' salary for each year of service (but with a cap of twice the minimum daily salary in the same terms as explained before); plus (4) any benefits due.

Notice Period: There is no necessary notice period before termination in Mexico. However, the employer should have a written reason with just causes and date of occurrence provided to the Labor Board. Failure to do so will deem the termination as unjust (Dismissals, (n.d.)).

Employment Law - United States

In the United States, an employee without an individual or collective contract is employed at-will, and therefore can be fired for any reason in the absence of a specific legal exception. However, in some instances, the courts will protect employees who do the right thing, even if this violates the boss's orders (e.g., the public policy exception to employment at-will). U.S. courts have been willing to uphold casual promises from employers, such as written or oral agreements or implied contracts in place of formally signed documents. A written agreement can include an employee handbook.

Sexual harassment under U.S. law involves unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. There are two types of sexual harassment: *quid pro quo* and hostile work environment.

A Hostile Work Environment per U.S. court precedents is a form of sexual harassment. Creating a hostile work environment means an employee has a valid claim of sexual or gender-related behavior, talk, or innuendo that interferes with the ability to work. Courts have found that comments about clothes or body parts can create a hostile environment.



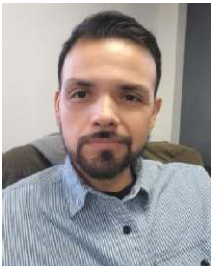
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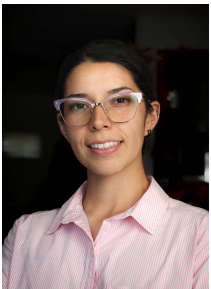
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Ivan Beltran was born and raised in Los Angeles and graduated from California State University, Los Angeles in 2021 with a bachelor's degree in business administration and a minor in Real Estate. He accomplished this while being employed as an assistant manager at Little Caesars and gaining experience in a management role. He is currently attending California State University, Los Angeles pursuing a master's degree in business administration with a focus in finance. Ivan has set a goal to graduate by fall 2025 and he has also joined the corporate workforce at Bank of America with hopes of furthering his career in a finance focused role.

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