Employment Relations in Chile: Evidence of HRM Practices

Abstract

This paper presents empirical evidence about HRM practices in Chilean organisations with the aims of providing an overview of employment relations and adding to limited existing literature. Research was conducted in a sample of 2000 Chilean workers in the Metropolitan Region. The paper argues that HRM practices in Chilean organisations illustrate the normative perspective of modern HRM discourse, where managers understand the nature of employment relationships to be the control of workers. While HRM processes are articulated under a discourse of worker emancipation, in reality, discursive practices perpetuate patterns of subordination that have historically shaped employment relations in Chile.

Keywords

Chile, Developing Countries, Employment Relations, HRM, Latin America

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1. Introduction

With the recent boom of International HRM (see Welsh, 1994; De Cieri et al., 2007), one could think that empirical research to inform it is everywhere. It is not the case with developing countries where empirical work remains limited (Budhwar and Debrah, 2001). In the Chilean case, literature generally focuses on business from the perspective of employers and entrepreneurial activity (Abramo in Aravena, 2000); neglecting worker perspectives. For instance, works discuss the associative/corporative dimension of entrepreneurial action (see Campero, 1984), morphological aspects of entrepreneurs, such as social origin, kinship and lifestyle (see Martínez and Tironi, 1985), ownership and business policies (see Montero, 1990, 1997; Abarca et al., 1988), and employer/State relationship (see Muñoz Gomá, 2000). Few (see Koljatic and Rosene, 1993; Acuña, 2005; Rodríguez et al., 2005) have moved towards a discussion of employment relations with a clear focus on HRM, yet the lack of empirical evidence limits their contribution.

This paper presents empirical evidence about worker perceptions of HRM practices in Chilean organisations, adding to limited existing literature. The paper is divided into six sections. After this introduction, the second section provides a theoretical discussion of employment relations and HRM where a framework helpful to understand culture, work and organisation in developing countries is presented. The third section provides an overview of employment relations and HRM practices in Chile, using key historical periods. The fourth section discusses methodology. Key findings are analysed in the sixth section and the last section concludes.

2. Employment Relations and HRM

HRM aims to identify the most suitable set of philosophies, processes and procedures to regulate employment relationships (Abbott, 2007). However, years of debate on theoretical foundations and scope have highlighted subtleties associated with its meaning to the point where discursive shifts have become fundamental in understanding the term. For instance, personnel management was replaced with HRM as a 'new and improved' term (see Legge, 2005:220); these days, 'human capital management' is the new buzzword (see Baron and Armstrong, 2007). It is no longer about a set of tasks but rather a set of strategic imperatives linked to competitive advantage and optimal organisational performance (see Boxall and Purcell, 2000; Losey et al., 2005). New economic and market structures have led to the current post-industrial phase where attention is centred on developing analytical frameworks and practices to contest conventional views of the relationship between work, workers and organisations (see Hewitt, 2005).

Knowledge-driven and high performance work systems have seen a new model of employment relations emerge; one where the employment relationship struggles to prioritise both industrial relations and HRM (see Guest & Conway, 1999) amid challenges of organisational efficiency. Strategies used by management to tackle these challenges raise many questions; for instance, the concern over organisational efficiency takes management on the path of strategies that disempower and deskill workers by subordinating them to employers' authority (see Braverman, 2003). HRM can be used as the means through which

this subordination is organisationally legitimised because HRM practices have historically reflected prevailing conceptualisations of work, and are used by organisations to increase performance (see Chan et al., 2004).

The 'power' of HRM was hinted by Mayo's (1949) conclusion that work satisfaction is reliant to a large extent on informal social patterns of work groups. These findings helped develop practices to nurture work satisfaction hence combining people management techniques with expected outcomes. Practices such as personnel planning, training plans, performance assessment and reward management systems were considered as a firm step in the strengthening of the psychological contract, which is strongly associated with increased commitment and has a positive impact on business performance (Guest & Conway, 2002).

Currently, HR capitalisation is paramount because unilaterally thinking about organisations increases the risk of workers' detachment. This shift comes as workplaces are said to embrace a degree of customisation where business performance, growth and sustained personal development are equally prioritised (Flamholtz 2005). Traditional employment relations have changed; a new form of psychological contract is sustained by ideas of managerial unitarism, where HRM is at one side of the spectrum and industrial relations at the other. Whilst unitarist HRM is said to promote worker independence and empowerment, industrial relations is seen as an outdated proposal based on interest groups. Given the implications this has on re-conceptualising commitment in a market-driven economy; to some extent, we could argue that the psychological contract is no longer valid because workers interact directly with the market.

2.1 Culture, Work and Organisations in Developing Countries

The previous section provided a good starting point to position the ER/HRM in developing countries, particularly in Latin American. Much of the literature on HRM in Latin America highlights the relevance of paternalism, authority and class, and resulting distinctive Latin American 'features' that dominate managerial practices, which seem inconsistent with the HRM debate as it is found in the literature.

Interest on the impact of national 'features' in business models and organisational practices was highlighted by Hofstede's (1980) research, which undoubtedly challenged universalist notions of management by raising questions about the impact of national and regional cultures to understand the relationship between culture, work and organisations. However, his work failed to account for the different dimensions that influence organisational structures, work dynamics and HRM practices. Even if there are recognisable elements of convergence and divergence; a crossvergence approach (see Ralston, 2008) seemed more prevalent given the hybridity of organisational reality. Hence, addressing the complexity of these dimensions helps to provide insight into the functional dimensions of culture and their impact on the articulation of ER/HRM practices, and to explain patterns of consistency and variability.

A useful framework is proposed by Smith (2005), which brings together the interaction between institutional, social, and cultural dimensions and how they create organisational forms and employment relations. He accounts for complexity by differentiating system, societal and dominance effects. System effects tackle the convergence dimension and refer to the impact of political economy. These are "effects that come through common social relations or purposes" and "ways of working that are diffused as common standard" (Smith,

2005:612) which take employers and workers onto the social relations that fulfil the expectations of these relations and ways of working. Conversely, societal effects tackle the divergence dimension and accounts for the "nationally specific culture and institutional codes" (p. 613), highlighting the relevance of cultural relativism and acknowledging that dynamics between workers and employers have a historical baggage which is "the product of institutional genesis" (p. 614). Finally, dominance effects make reference to economic power and how it impacts a society's ability to originate ideas and successfully diffuse them as best practice (see Sturdy, 2004). This framework highlights relevant dimensions useful in the analysis of organisational phenomena in developing countries, in particular given the argument presented here that cultural and socio-historical characteristics permeate organisations and are perpetuated by ER/HRM practices in Chile.

3. Employment relations and HRM practices in Chile: a historical overview

Social stratification and legislation have historically modelled employment relations and HRM practices in Chile. Social stratification is the root of the style of people management present in Chilean organisations (see Gómez, 2001; Gómez and Rodríguez, 2006) and is traced to differences based on race, social status, and ownership established during colonial times (Martínez and Tironi, 1985) and further developed with the hacienda and its symbolic meaning that linked kinship, caste and power. Relationship dynamics between patron and servants whilst overly hierarchical were also ambivalent, where authoritative and oppressive actions were disguised under the veil of paternalistic protection (see Gómez and Rodríguez, 2006). Legislation, on the other hand, has strictly regulated labour market and changes in industrial relations patterns (Morgado, 1999). Four main historical periods are relevant to this discussion; an initial stage pre Labour Code, a second stage in 1931-1973; a third stage in 1973-1990 and a last stage after 1990.

3.1 Pre Labour Code

There was no labour legislation during this period and employment relations were regulated by the country's Civil Code. Large haciendas were owned by wealthy families that controlled most land and resources; landlords allowed peasants to live and work their land as permanent tenants or seasonal workers in return for loyalty and produce. Analysing work relations of tenants in the Nineteenth Century, Dominguez (1867) compared their conditions to those of slaves, reporting that workers lacked freedom and were subjected to the whim of landlords. For instance, salaries were determined by landlords and payment could be done in the form of allowances for more produce for personal consumption. In addition, work ended at the will of the landlord. These precarious practices were sustained by friendship and compadrazgo networks, with workers moving haciendas based on the will and help of landlords. Likewise, the importance of perceived affiliations determined the 'place' of workers within the scale of treatment. This signalled the start of the pattern of people management, where details such as familial/political/social affiliation (i.e., 'where you're from and who you know') became central to jobs.

Work changed with the development of the nitrate field industry, yet poor treatment remained due to absence of labour legislation, the low skilled nature of the jobs, their remote locations and a focus on production. A popular recruitment technique in mining involved using intermediaries who used deception to attract peasants (Morris, 1967). Abuse, threats and

indiscriminate dismissals were also common practices with workers said to be in labour submission (Salazar, 1989) mainly as a result of the normalisation of oppression, which made it difficult to leave the exploitative cycle.

The increasing dominance of the thriving nitrate field industry inhibited the development of work ethics (Montero, 1997); in practice this meant there were no rules but the rules of the employer. For instance, there was no job security or safety, and history accounts for many deaths with no further investigation or accountability to employers. After many strikes and public protests, the first bills dealing with workers' rooms (1906), chairs (1914), the launch of pension and retirement funds for the Armed Forces, work-related injuries (1916), Sunday rest (1917), nursery provision (1917) and prevision for railway workers (Walker, 1997) were implemented.

3.2 Worker Movement Power (1931-1973)

During this period, employers were relegated socially and politically, and both State and workers became dominant actors (Dávila, 1990). In organisations, employers stuck to paternalistic roles of authority. For example, Fuchs & Santibañez's (1967:82) study found that employers understood 'worker participation' as related to issues, such as decisions about the best time for lunch. However, 90% of employers in their sample opposed or gave low priority to suggestions that workers participate in decisions on technological change, training and promotion.

In the 1970s, a worker participation programme was implemented, which culminated in the publication of a document establishing guidelines for worker representation as counsellors and executives at different administrative levels (Zapata, 1976:89). Workers were in a favourable position as labour legislation protected their interests (see Chaná et al., 1973); all rights and prerogatives awarded by law were irrevocable and the 1966 Immobility Law established the principle of 'just cause', allowing workers to appeal against dismissals in court (Edwards et al., 2000:192). Conversely, this made employment relations reliant on State intervention, to the extent that the law became the central, and even exclusive, source of labour regulation and dictated employment relations (Ugarte Cataldo, 2008).

In matters of collective bargaining; the law awarded workers faculty to discuss organisational issues with employers, surpassing the previous power employers had of withholding information. Strikes gained strength as powerful mechanisms of punishment and the law protected workers by pursuing abusive employers. Similarly, the State imposed clauses to contracts that forbade violation of terms. During this period, unions progressed and developed a practical agenda to reform working conditions (Drake, 2003:149-150). However, HRM was not developed as the Government regulated production conditions, quantity and quality.

3.3 The military regime (1973-1990)

Dramatic changes in legislation and the regulatory framework of employment relations occurred during this period. Employment labour rules were reversed, prioritising demands of employers (Montero, 1997) who enjoyed the benefits of deregulation and privileges (Durán-Palma et al., 2005). Changes included increasing the role of employers in regulating

individual contracts and collective bargaining, and reducing dismissal restrictions (see Campero, 2004; Durán-Palma et al., 2005). The Labour Code was also modified with reforms that included a systematic and radical reduction of individual and collective labour rights (López, 2005). According to Abramo et al. (1997:152), changes in labour legislation aimed to eradicate what was considered to be a worker-protective approach. Union action went from defensiveness; used during the first years of the regime, to resistance; a strategy used to cope with worker repression and lack of protection (Campero and Valenzuela, 1984).

In 1973-1979, basic constitutional liberties were suspended and both collective bargaining and union activities were made illegal and subsequently eliminated (Aranda, 1979; Remmer, 1980). A 1979 Labour Plan changed industrial relations legislation, particularly the power balance between actors (Durán-Palma et al., 2005:65); limiting union action to the realm of organisations by reducing protection to workers on strike and reinstating dismissal without justification of cause. This affected worker perceptions about unions, their willingness to unionise, and generally their ability to demand better work conditions.

The economic model imposed after 1974 saw employers gain back power and made them the centre of national life (Dávila, 1996). Much investment went into modernising larger organisations (Montero, 1997); however, labour practices remained at the level of disciplining and control (Coloma and Rojas, 2000). Economic power was again centred on some families and large financial conglomerates, such as the Cruzat-Larrain, Alessandri-Matte, Angelini and Luksic groups, and the traditional patron-centred model of employment relations regained prevalence.

During the 1980s, the technocratisation of organisations (see Silva, 1991) shifted importance towards technical knowledge and skills. This approach saw organisational development and work flexibilisation imperatives translated into distorted HRM practices that put pressure on workers to reach production quotas. For instance, in 1973-1979, employment in the export industry increased (Urzúa Troncoso, 1981) but practices such as temporary contracts and subcontracting became popular, generating feelings of job insecurity and translating into workers' perceived sense of defencelessness.

3.4 Return to democracy (After 1990)

Labour reforms in the 1990s brought many changes yet a key element was organisational autonomy to regulate their own labour relations (Montero, 1997). Changes such as reinstating unionisation and the right to strike antagonised employers, who saw strikes as an instrument of appropriation, compensations as an increase in contract costs, and negotiation as politisation of employment relations (1997:196). Consequently, HRM practices were scarce as organisations showed general short-term employment strategies (Muñoz Gomá, 1995). The Labour Code was modified in 1994 and reformed in 2001 yet changes have been considered (see Walker, 1997) more cosmetic than substantial.

Reforms have being insufficient to move away from the legacy of the dictatorship (Durán-Palma et al., 2005); practices continue to favour employers and the main element of labour legislation is the unrestricted faculty of employers to manage businesses (Walker, 1997:21). For instance, legislation continues to facilitate dismissal, organisations remain powerful in processes of collective bargaining and patterns of authoritarianism remain present in employment relations (see Abramo et al., 1997; Malatrassi, 2005; Núñez and Aravena, 2005),

which makes HRM practices retain many of the historical patterns that promote worker fear and insecurity. In turn, strong reliance on the labour code and generally on legislation make both organisations and workers establish highly bureaucratic relationships where most issues are resolved threatening to take or taking legal action.

HRM is not fully understood; for instance, from an employer's perspective, flexibility is understood as the easiness with which employers can hire or dismiss workers when faced with market fluctuations (Espinosa, 2001). Similarly, unionisation remains contested; the 2006 Labour Survey reported that only 8% of organisations were unionised and had fluctuating membership (Dirección del Trabajo, 2006). HRM challenges are still associated with equal opportunities, particularly overcoming issues of class/social categories that hinder social mobility, individual accomplishment and career progression.

4. Overview of Research Methodology

The current research explored work cultures in Chilean organisations, with particular focus on organisational culture and HRM practices. The research captured the perceptions of workers regarding dimensions of work (i.e., their relationship with peers and managers), and HRM practices (i.e., perceptions about their experiences of recruitment and selection, training and development, rewards, and participation).

Research was conducted in a non-probabilistic sample of 2000 Chilean workers actively employed in organisations in the Metropolitan Region of Chile. Sample size was determined using the common statistical parameter of representation of 10% of the universe. Recent data available from the Instituto National de Estadisticas in Chile at the time of the survey indicated that active working population in the Metropolitan Region was 1,950,469. Consequently, a sample of 2000 was defined, of which 1299 questionnaires (65%) were retrieved.

Workers were approached individually and through contacts to participate. Due to worker scepticism at being asked for detailed organisational information, as well as the focus of the research on the views of workers; only general organisational background was requested. This decision was also rooted on the findings of three pilot runs of the questionnaire conducted with 10, 15 and 17 participants, which included post-discussion sessions where participants were asked to comment on the questionnaire and the process. The first pilot group found the information sheet to be "suspicious" because of the use of the word 'confidential', which some participants argued 'made them feel insecure', with some noting that it gave the impression that 'the information could be used against them if their bosses found out they had participate in the study'. It was then agreed to prepare a 'pitch' explaining the purpose of the study; this was successfully tested in the second and third pilot runs.

A general profile of the sample can be established indicating that of the total cohort of 1299 participants, 45.8% were women and 54.2% were men. The majority of participants were between 25-34 years of age (see Table 1). Most had attended higher education; nonetheless, the majority had not completed it (see Table 2).

[TABLE 1 HERE]

[TABLE 2 HERE]

Most participants (71.7%) worked in the private sector. The rest were from the public sector (20.8%) and from mixed organisations (6.6%). 0.9% did not disclose this information. According to the classification established by CORFO, the Chilean Economic Development Agency¹, the majority of participants worked in SMEs.² Most participants worked at operational level in commercial, administration, finance, production, personnel and IT areas. Other areas included consultancy, planning, foreign commerce, academia, technical assistance, construction, marketing, logistics, police and housing leasing. Finally, the majority of participants had been working in their present organisation for two years or less (see Table 3).

[TABLE 3 HERE]

A 23-question self-completion questionnaire was used to gather data, which included HRM practices such as recruitment, selection, training, development opportunities, wages, performance appraisal, worker participation in decisions about work and relationships with peers and supervisors/line managers. The questionnaire included closed and open-ended questions. Researchers administered the questionnaire in almost all cases and completion lasted between 25-30 minutes. This process was conducted both within and outwith work settings. In cases where contacts had been established with line managers and area supervisors, some agreed to serve or appoint someone else as contact person to administer the questionnaire. In these cases, questionnaires were returned in sealed envelopes.

5. HRM Practices in Chile: Empirical findings and analysis

5.1 Recruitment and selection

Findings suggest that organisations in the Metropolitan Region are aware and make use of recruitment practices. For instance, posts are advertised using different means (newspaper being the most common although the use of internet has become increasingly popular). However, informal advertisement via known associates, friends and family is fundamental. This was highlighted by Vargas & Paillacar (2000) in their exploratory study of fruit exporting organisations of the Central Valley. They noted that recruitment was very informal and mostly dominated by recommendations from friends and family. Given the strong stratification in Chilean society and the dominance of specific family groups, links through known associates is common. Friends and family operate under the umbrella of group preservation, which is common in collectivist societies (see Hofstede, 1990).

However, selection practices include interviews, role playing, teamwork and work scenario enactment, which are in place even if to 'fill out the paperwork'. In the present study, it was acknowledged that selection decisions are strongly determined by each candidate's 'pedigree'

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¹ It is worth noting that the CORFO classifies businesses as follows: microenterprise up to 4 workers, small enterprise up to 49 workers, medium enterprise up to 199 workers and large enterprises more than 200.

² Debates (see Ayyagari et al., 2003) about the conceptualisation of SMEs make it difficult to conclusively categorise a number of organisations as classifications used vary across countries and international agencies. For instance, Ayyagari et al. (2003:3) note that the SME Department of the World Bank works with these classifications: microenterprise up to 10 workers, small enterprise up to 50 workers and medium enterprise up to 300 workers.

(who they know, who they are associated with, who recommended them and the degree of power of the person recommending them). In that sense, selection processes perpetuate traditional patterns of societal dynamics that award importance to positions, titles and affiliation to relevant power groups (see Valdivieso, 2000).

Direct discrimination is present in recruitment. For example, adverts request candidates within specific age groups and of specific characteristics (i.e., 'young', 'professional', 'engineering graduate', 'woman', 'man', etc.). A 'cult of youth' in the labour market was acknowledged as participants, including the sample's most representative age group (25-34), recognised its effect. One participant noted that 'nobody wants you if you're old' hence there is pressure to both get a job before a certain age and keep it after a certain age. Rejection of the aging process that generally feeds a cult of youth and beauty has been identified as a Latin American characteristic (see Torres, 1992:26); however, in the Chilean case, this phenomenon is linked to non-managerial occupations. In the case of managers, most of which were over 40 and male, seniority is associated with expertise and responsibility.

It was highlighted that although qualifications are relevant in selection; aspects such as address and educational establishment attended create differences between candidates. For instance, 54.7% of participants felt that workers get discriminated because of their socioeconomic background; 57.8% maintained that there is discrimination based on educational establishment attended and 48% stated that there is discrimination based on physical appearance. It has been suggested (see Abarca et al., 1998), that in Chile, appearance, age and gender differences are correlated to social status and create negative categories of difference leading to discrimination. The normalisation of this practice is operationalised in the clear identification of 'acceptable' neighbourhoods to include on a job application, which individuals perceive will increase their chances of being shortlisted.

These issues were highlighted when asked to describe topics of conversation among workers. 37.7% of participants acknowledged that they spoke about other colleagues' 'pedigree' (i.e., where they came from, where they studied, where they lived, how they got the job and who they may knew that helped them get it) and also about their status (whether they 'fit in', whether they 'belonged', their mannerisms and physical appearance). It was highlighted as important to establish links with the 'right people', namely individuals with appropriate connections or power, or in the case of individuals with no connections or power, individuals with the potential to 'blend in'.

The strong stratification in Chilean society is rooted on understandings of ethnic, cultural and socio-economic backgrounds as 'credentials' for individuals (see Valdivieso, 2000). Furthermore, a central legacy of post-colonial Chile was the dichotomy of poor/indigenous in contrast to rich/white, which has had a historical impact on the way resources and opportunities have been allocated and made available. In organisations, similar principles create a new dimension to ways in which workers articulate categories of difference. Chileans fear social isolation hence seek to maintain uniformity by creating strong reference groups

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³ It must be noted that at the time of the study; some forms of discrimination were not clearly addressed by the Labour Code. However, though the legal framework has now changed and explicitly states that it is unlawful to discriminate based on distinctions, exclusions and preferences such as race, colour, age, marital status, unionisation, religion, public opinion, nationality, national or social origin, which hinder equal treatment or opportunities in employment or occupation (see Ministerio del Trabajo y Previsión Social, 2008); a quick browse of job adverts in wide-circulation Chilean newspapers such as El Mercurio, shows job adverts still asking for 'active person', 'presentable' and 'age according to post'.

that have similar needs and expectations, dress similarly, and generally aim to be 'part of the group' (Guzmán in Di Girólamo, 1984).

In terms of selection processes, the importance of recommendations of contacts was highlighted as fundamental in order to get a job and it is the case that this moves across all organisational spectrums. 64% of participants acknowledged having used the help of contacts (friends, family or political) to get their job. Double discourse was acknowledged as in many cases, there were selection processes in place where candidates participated, yet these were used to "fill out the paperwork", with individuals securing appointments via informal networks either inside or outside the organisation. *Compadrazgo* networks (see Lomnitz and Melnick, 1991; Gómez and Rodríguez, 2006) find their popularity in the perceived guarantee they provide. The person recommending a candidate is usually someone in a relatively advantageous position and whose affiliation (of whichever type) with the organisation is 'worth keeping'. Recommendations are indeed recommendations, yet they are also part of the 'favour loyalty' system (see Gómez and Rodríguez, 2006); a way of cashing in on favours or returning favours.

In summary, organisations in the Metropolitan Region of Chile use formal technical criteria for recruitment and selection complemented by informal references and recommendations from individuals linked to the organisation through friendship, kinship or compadrazgo relationships. Both mechanisms coexist to justify the professionalisation of the HR selection function whilst at the same time comply with expectations and 'requirements' of the social system.

5.2 Training and development

Findings suggest that training is not widely present in organisations with only 58.7% of participants acknowledging that there are training opportunities in their organisations. Training opportunities were stated to be unplanned and generally followed trends in the market in terms of what seemed 'popular' rather than the result of Learning and Development strategies or Human Resource Planning. For instance, though 63.6% agreed that training received aimed at improving work; many acknowledged that participation in training was determined by line managers with no input from workers, which also evidences lack of a human resource development agenda.

However, as Montero (1997:209) argues; a new economic way of understanding reality in Chile has led to the assumption that training is more protective than immobility; hence training is seen as a cost and treated as a reward rather than something that can be strategically planned in order to develop workers or improve organisational performance. Many comments touched on this as development opportunities were seen as a 'reward', where attendance to external training events was said to be awarded to 'closest allies', 'friends/buddies' and 'right-hand people'. Internal events, on the other hand, tended to focus on IT training, teamwork and other forms of activities which were thought of by management as helpful in improving productivity. These were usually facilitated by both internal and external tutors and organised both in-post and after working hours. In cases where events were conducted during working hours, many participants reported having to 'make up' the hours used, which discouraged many from requesting these opportunities. In that sense, the understanding of training as a reward is reinforced as something that organisations give to

'deserving' workers. For instance, a participant indicated that in her organisation, a form of punishment was to refuse training opportunities to workers.

5.3 Wages

Responses by participants suggested that secrecy is a key factor surrounding the topic of wages as pay scales are not available either to prospective or current employees in organisations. The topic was generally considered highly sensitive and private, and participants did not discuss any aspects of their wages in detail.

Analysis of recruitment and selection indicated that information on pay scales was not provided to applicants and instead they were asked to indicate their "pay expectations", which are discussed in the event of being called for interview. The majority of respondents (87%) perceived this information played a major role in their ability to pass the first screening stages of the recruitment process.

All participants indicated that they had not received a formal written document stating their salary or any information about pay before or during the recruitment process. It was gathered that when applying for work, applicants "found out" through friends or acquaintances the typical salary associated with the post they were applying to and indicated a lesser amount in order to increase their chance of being shortlisted. Public information provided by employers in vacancy ads is usually limited to vague statements such as 'competitive salary', 'salary according to experience' and 'salary according to market' with no indication of ranges.

The issue of wages is also relevant in terms of the secrecy of pay scales in organisations. For instance, in the Salmon industry, which is one of the strongest economic industries in the country, it has been raised by unions and NGOs that wages of managers are 'the best kept secret' and as the information is not publicly available, it is open for speculation and generates tensions. As none of the participants in the current research had ever received pay scale information from their organisation or had been provided with information regarding pay ranges for their post; this could suggest that this is a common practice in organisations in the Metropolitan Region. Furthermore, it raises questions of fairness as it is unclear to workers what others in similar posts or doing similar jobs are earning. Some participants indicated that they would not ask questions about pay as it could be interpreted by the organisation as being ungrateful.

Composition of wages in many cases (53%) included a variable component said to be related to productivity. This confirms what has been suggested by Vergara del Río (1998) regarding the increasing flexibilisation of wages in Chilean organisations with the inclusion of incentives, rewards and in some cases fringe benefits such as profit sharing, associated with productivity. Nonetheless, others (see López, 2007a) have suggested that the most common variable wages do not reward productivity but rather seniority (over base salary) and increases in work intensity (via commissions, production bonuses and treats). This distinction is relevant because it is the case that all participants working in commercial areas (20.7%) indicated that they had a mixed wage system (a basic component plus a variable component) and asserted that the basic component was very low and the variable component was 'where the real money is' as their final wage increased via commissions obtained when reaching higher targets. Consequently, productivity and work intensity are for practical reasons one and the same as increase in work intensity is linked to monetary rewards for higher productivity levels. In turn, this has implications for work/life balance, with some participants

commenting that organisations promoted and rewarded workers that were seen as workaholics.

5.4 Performance appraisal

Though a large majority (68.8%) acknowledged that organisations valued and rewarded performance; 'performance appraisal' was assessed by participants as 'a piece of paper'. None of the participants in the study had either participated in or conducted a formal performance appraisal process (formally discussing with their line manager/supervisor their workload, accomplishments, improvements needed, targets for next period and documenting these discussions). The lack of creditability of performance appraisal systems and processes in Chilean organisations has been documented (see Koljatic and Rosene, 1993) and suggests that neither managers nor workers consider it a valuable procedure. Instead, perceptions of 'loyalty' and 'good behaviour' equalled good performance. These terms were linked with desirable levels of productivity and though not formally measured, workers perceived instances of positive/negative reinforcement associated with them.

Out of the total, 215 participants (16.5%) were in supervisory roles and comments reinforced the previous idea, generally indicating that good performance is perceived to be obtained by "telling them what needs to be done" and "telling them to produce or do the job well or else there may be possible dismissals". Other comments stated that "if they produce little, it means they're performing their work badly" and "they perform well as long as you tell them clearly what they need to do". The role of manager is strongly associated with surveillance and control hence performance appraisal does not have a developmental dimension but is rather a tick-box exercise.

5.5 Participation in work decisions

Findings show that worker participation is perceived to be limited due to lack of freedom of expression for fear of repercussion (being punished, ostracised or dismissed) with 78.6% of participants admitting to speaking with suspicion and fear. Worker participation in Chile has been historically controversial; relationships are based on authority and there is expectation that workers listen and do as told with no possibility for workers to voice their problems (see Espinosa & Morris, 2002). The hierarchical and formal structure of relationships with managers was also highlighted as an aggravating factor. Participants considered line managers to be strict, arrogant and indifferent, with management styles that prioritise results over processes and people. Some participants stated that 'bosses only care about the final result/outcome'. Passive worker response to the previous is questionable yet not surprising; the obedient and conforming attitude of workers in Chile has been noted (see Gomez, 2001) as resulting from fear of ridicule and social exposure. The 'omnipotence' of managers is indirectly reinforced by workers who, on the one hand, would not venture to challenge management, and on the other hand, would fear exposing themselves to being chastised in return.

Comments by participants in supervisory roles suggested that managers perceive workers do little to engage. Some reported that workers "take advantage of situations", "show no initiative" and "don't put much effort because they don't recognise the value of the work". Nonetheless, a significant majority of participants (85%) acknowledged that decisions about work they do were made by people with more authority yet in terms of expectations, 60.7% stated they would like to participate in those decisions and 27.9% said they would like to be

responsible for them. There is a clear contradiction between these accounts, yet double discourse aside, the high degree of societal paternalism would explain why participatory styles are not prevalent and rather would be seen as managerial weakness.

Expectations of submissiveness were also highlighted with participants commenting that "bosses would be happy if one worked quietly and did everything they asked" and others indicating that managers see workers as 'machines', 'instruments' and 'objects'. The emotionally-charged weight of these terms reflects the conflictive nature of manager/worker relationships (see Montero, 1990; Gómez, 2001) and suggests similar expectations to those identified historically. Managers in the sample indicated that workers "should do as told".

Finally, unionisation was problematised. Half of the sample work in unionised organisations yet only 11% considered the union to be supported by employers and working alongside the employer to help worker wellbeing. General overview was negative; 35% stated that union in their organisation responded to the needs of specific groups and 21% believed the union was manipulated by employers for their own interests. Some expressed that the formation of unions whilst not openly rejected by employers, has been usually discouraged by HR staff. Measures in some cases included memos (sent amid rumours of the formation of a union) warning workers that interruptions to work or not meeting targets would lead to dismissals. Morris (2002) makes a similar argument, noting that unions in Chile usually have a semi-clandestine start attributed to employer opposition, and generally emerge amid workers' fear of dismissals and employers' fear of conflict.

6. Conclusion

Institutional, socio-historical and cultural dimensions are distinctly interrelated and determine how employment relations and HRM practices operate in this context. Elements associated with power and class are at the centre of organisational dynamics and these replicate in organisations dynamics that perpetuate societal order.

Double discourse is a salient element; Chilean society has been identified as highly formal; to the extent that bureaucracy permeates most social and organisational dynamics. In that respect, formalisation of procedures promotes a public image of institutionalisation. Accounts by workers confirm this yet highlight the simultaneous presence of distinctive ideal discourse and material practices.

Organisational rhetoric is heavily influenced by the neoliberal stance, where organisations are presented within a managerialist discourse that praises their vanguard management techniques and technology. Similarly, in line with this neoliberal rhetoric, workers are said to be valued and considered an organisational asset. In practice, however, workers seem discontent with individualistic employment relations and discretionary HRM practices that force them to 'look out for themselves.'

The key issues emerging from the findings suggest hierarchies and the impact of manager power are at the centre of employment relations and HRM practices seem to facilitate that these patterns are perpetuated. Dávila & Elvira (2005) have noted that Latin American management models are characterised by social distance, respect for authority, benevolent paternalism and group loyalty. Whilst findings for the present study certainly confirm the importance of these characteristics; the hybridised way in which workers both navigate

individualism and collectivism, and resulting dynamics which could at times seem contradictory, are not accounted for in these categorisations, raising questions as to the validity of adopting a uniform approach to analysing Latin America. In the Chilean case, the salient element is how these traits are used to perpetuate the idea of organisations as living up to the expectation of modernity and global competitiveness created by the economic model. It is then the case that the value system emerges from the dynamic interaction between sociocultural influences and business ideology (see Ralston, 2008); the first rooted on the historical nature of employment relations, and the latter defined by political economy rooted on the neoliberal model.

Generally, the way HRM practices are perceived illustrates the normative HRM discourse, where organisations understand the employment relationship to be about employee control. In that sense, whilst HRM processes seem articulated in line with modern HRM rhetoric; in practice, the same patterns of subordination, abuse and mistreatment that have historically shaped employment relations in Chile continue to be repeated. For instance, recruitment processes are structurally sound, but practically distorted; workers have little input in decisions about work yet what is found in research on management in Chile is that managers claim to want workers to be more actively involved in work decisions. Interesting, the latter contradicts the societal structure that places importance on positions and authority, and instead, employers treating workers as disposable labour would be consistent with operating cultural pattern.

It is the case that even with Chile being the strongest economic performer in the region, there is acknowledgement that the country remains behind in HR investment, such as communication systems, development and flexibility in the workplace. Even when the country is not one of the fragile democracies in the region; in organisational terms, the ambivalence of employment practices highlights unaccounted dimensions of the miracle.

López (2007b) notes that Chile was significantly ahead other Latin American countries in terms of implementing a labour and previsional legislation project. However, he argues that this project did not emerge from a concern over employment relations or the regulation of occupational issues. Rather, the structural reform aimed to dismantle labour and previsional institutionalisation through a structural reform in order to promote the free market ideology. A report by the Fundación Instituto Estudios Laborales (FIEL-CUT) (2007:18) suggests that the country's competitive strategy shows a naive and ideological conception of free-market competition. This has indeed seen market structures and business models hinder good employment relations, promote distrust and result in HRM practices with a short-term orientation.

Normative views are mostly reflective of an industrial relations model; the psychological contract is based on expectations of compliance, there is low trust and organisational design relies on strict hierarchical roles and managerial control. However, this would seem inconsistent with an overall model that is discursively sustained on ideas of market-free competition, where autonomy and self-control are seen as regulating principles. This could be explained as a result of employment relations in Chile not being modernised at the same pace of other dimensions of the economy (see Espinosa, 2000), which makes HRM practices not only restrictive but also archaic.

Interestingly, amid these findings, there is no evidence of open labour conflict between workers and employers. Instead, findings highlight workers' discontent yet they also

highlight their passivity. The legacy of the dictatorship (Rodríguez & Gómez, 2009) remains a key element in the passive approach of workers when it comes to exercising their rights and challenging unfair practices in the workplace. Research by Rodriguez et al. (1989) in their study of Goodyear-International in Chile provides some insight into this; they found that even when workers were over-demanded by the organisation, workers justified their passivity with arguments highlighting a sense of pride over the positive corporate image. This understanding of personal sacrifice as demonstration of organisational commitment is also part of the dictatorship legacy.

A number of factors perpetuate these dynamics; on the one hand, there is the combined constraint of the limited scope of the labour code (see Walker, 1997) and the stronghold of the legal framework in labour relations in Chile where workers are virtually unsupported in matters that fall outside of the Labour Code (see Ugarte Cataldo, 2008). This translates into workers' perception that arguing a case is futile, and most importantly, dangerous as it could lead to job loss. The previous brings the issue of how in trying to maintain the status quo workers will accept unjust practices which ends up helping to legitimise them.

Findings presented in this paper have important implications for understanding what underlies Chile's status as a 'Neoliberal miracle' (Winn, 2004). Also, findings provide data for wider analyses of HRM practices in the country, particularly to explore workers' views of the employment relationship and how they perceive HRM practices to facilitate or hinder their performance. However, these results are representative of the Metropolitan Region and cannot be generalised to Chile's remaining fourteen regions. More research is needed both nationally and regionally in order to gather data that allows a more comprehensive overview of the country and provide grounds for regional comparison.

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Table 1: Distribution of participants by age

Age range	Distribution
15-24	20
25-34	45
35-44	21
45-54	9
55-64	3
65 or more	0.4
Did not respond	1.6
Total	100.0

Table 2: Distribution of participants by educational background

Educational Background	Distribution
Basic level completed	4.6
Secondary education completed	13
Technical education completed	18.2
Higher education (incomplete)	33.7
Higher education completed	30.4
Did not respond	0.1
Total	100.0

Table 3: Distribution of participants by length of service

Years of service	Distribution
0-2	31.3
2-5	26.9
5-10	18.8
10-15	8.5
15 or more	13.3
Did not respond	1.2
Total	100.0