

## **Abstract**

**Purpose:** This paper provides insight on the influence of organisational culture on HRM practices in Chile by exploring shared meanings (basic assumptions and beliefs) and organisational models that can be identified from activities, dynamics, social relationships and behaviours.

**Design/methodology/approach:** The paper is based on research conducted in Chile where a combination of self-completion questionnaires, semi-structured interviews and non-participant observation was carried out in a non-probabilistic sample of 46 organisations.

**Findings:** Findings suggest that there is a shared definition of work characterised by five elements; namely, the existence of great work pressure exerted by managers; a sustained focus of upper levels on organisational efficiency as an isolated element that does not include HRM; the inexistence of worker autonomy and empowerment; the use of administrative jargon and understandings of loyalty, dedication, compliance and professionalism as desired qualities in workers. The paper argues that there are three distinct categories of cultural discourse in Chilean organisations: pessimistic/fatalistic, optimistic/maniac and pragmatic/bureaucratic.

**Research limitations/implications:** Due to the type of sampling used, findings cannot be taken to represent the whole of Chilean organisations.

**Practical implications:** Data presented in this paper helps to understand many of the behaviours observed in Chilean organisations, which provides HR policy-makers and practitioners with sounder foundations for designing organisational programs, policies and action plans.

**Originality/value:** The paper presents new evidence to increase empirical body of work addressing the relationship between organisational culture and HRM in developing countries, particularly in Latin America.

**Keywords:** Chile, organisational culture, HRM, work, administrative practices

**Classification:** Research Paper

### **HRM in Chile: the impact of organisational culture**

“Yo estoy ausente pero en el fondo de esta ausencia  
Hay la espera de mi mismo  
Y esta espera es otro modo de presencia  
La espera de mi retorno”[i]  
Vicente Huidobro

## **1. Introduction**

The relationship between HRM and employment relations (see Guest, 1991) would make questionable the suitability of this paper for a Special Issue on employment relations. However, whilst the argument that HRM's unitarist frame of reference conflicts with employment relations' pluralist approach (see Legge, 1991; Storey, 1991; Torrington, 1991) remains valid; it is also the case that the traditional focus of employment relations on trade unions and their activities has changed and there is an increasing interest in management perspectives, which includes HRM. An example of this is the work of Flanders on the Fawley experiment (see Flanders, 1970), which is

considered to illustrate managerial initiatives in employment relations (see Ahlstrand, 1990).

Similarly, the relationship between HRM and organisational culture is complex. Literature on organisational culture (see Schein, 1985, 1990, 1992, 1999; Kilman et al., 1986; Byrne, 1987; Bowles, 1989; Alvesson, 1990; Buchowicz, 1990; Denison, 1990; Calori and Sarnin, 1991; Check-Teck, 1992; Cawood, 2008) has mainly emphasised its impact on organisational efficiency. Nevertheless, historical divisions between hard and soft elements of management have hindered closer looks at its relationship with HRM. HRM is seen as a soft component lacking strategic edge and not a mainstream management activity (see Guest, 1987).

Complexity increases as debates on meaning and main purpose continue to develop in both areas (see Ogbonna, 1992; Legge, 1995; Alvesson & Due Billing, 1997; Gomez and Rodriguez, 2001; Rodriguez, 2001). An important debate discusses how organisational culture operates in the form of shared meanings that can be observed at different levels; from the more visually recognisable ones, such as artefacts and creations; to more indiscernible ones such as assumptions and philosophies (Schein, 1985, 1999; Schultz, 1994). This functionalist approach has been linked to HRM as it sets the ground for possible uses of HRM to perpetuate 'desirable' work cultures.

In addition, the notion of culturally-sound, context-bound practices became vital to the debate on universalist versus contextual paradigms in HRM (see Brewster, 2007). This meant shifting from generic standardised HRM models towards a more inclusive thought-out approach where context is crucial to determine the best way to 'do' HRM. This relationship has been researched (see for example, Buono, 2005; Bunch, 2007; Taylor et al., 2008) by exploring its influence on, and interaction with external and internal factors affecting organisations (see Arogyaswamy and Byles, 1987).

This paper focuses on the relationship between HRM and organisational culture in Chile, particularly discussing shared meanings and models that can be identified from activities, dynamics, social relationships and behaviours. Its rationale is that analysing the underlying principles of HRM practices and their perpetuation by organisational cultures could be used to inform employment policy-making and practices in order to move away from the corporatist approach and change employment relation dynamics.

Following this introduction; the paper is organised in four sections. The next section provides general overview of work and employment in Chile and discusses organisational research in Chile. The third section covers methodology. The fourth section presents findings and the last section concludes.

## **2. Work, Employment and Organisations in Chile**

With a population of almost 17 million, figures by the Instituto Nacional de Estadísticas (INE) [Institute of National Statistics] for the period April-June 2008 indicate that 43% of the population is actively employed, and there is an unemployment rate of 8.4% (INE, 2008a). Workforce is distributed in three economic sectors: services (63%), industry (23.4%) and agriculture (13.6%). Average monthly wage is CH\$347,666 (close to £350) (INE, 2008b).

Employment relations have traditionally followed the pattern of the *Hacienda* (see Rodriguez et al., 2005) where employers hold and exercise power and workers are expected to be loyal subordinates. Unionisation has significantly decreased over time; for example, whilst the rate at national level in 1990 was 21.2%, in 2007 it was 14.8% (Dirección del Trabajo, 2008) with the highest industry rates present in mining (Hayes, 2003). In addition, unionisation is generally discouraged by employers and many incur in anti-union practices, such as dismissal of union leaders. For instance, in the second semester of 2007, 45 fines for anti-union practices were applied, some of which were repeat offenders (Dirección del Trabajo, 2007). Another key element is the Labour Code, which is said to promote the interests of employers (see Walker, 1997).

In practical terms, managerial trends in Chile follow American management fashions and the writings of organisational ‘gurus’, such as Athos and Pascale (1981), Deal and Kennedy (1982), Ouchi (1982), Peters and Waterman (1982), among others, lead managerial and HRM practices in Chilean organisations (see for example Rainieri, 1998; Rodriguez et al., 1999).

### ***2.1 Organisational Research in Chile***

Academic research organisational culture in Chile is limited. Works (see Lauterbach 1961, 1966; Huneus, 1979; Muñoz, 1986; Montero 1992, Rodriguez et al., 2005) either analyse the psychosocial characteristics of entrepreneurs/managers, or establish the mainstream model in which their actions fit. Montero (1992: 101-102) notes that most works research the people who “own at least part of the equity of one or more organisations and whose function is to assemble human, financial and material resources in order to turn out a product”.

By overlooking significant changes in Chilean economy and failing to address relevant aspects pertaining to changes in work population, evolution of unions as well as increasing professionalisation of workers; these works simply seem to pay lip service to corporatist approaches and do not help inform changes and improvements needed in employment relations in Chile.

In addition, few results have originated from research. Disappointingly, most published materials are either not based on clear empirical foundations, make generalised assumptions based on small and guided samples of interviewees (see Lauterbach, 1961), or are grounded on analyses of historical documentation based on commentaries about entrepreneurs’ personality traits (see Montero, 1992, Rodriguez et al., 1999).

Having provided a general overview of work, employment and organisational research in Chile; the next section discusses the methodological aspects of the study.

### **3. Methodology**

The research aimed to identify the characteristics of organisational cultures in work settings in Chile and their impact on HRM practices. It was conducted in a sample of 46 organisations, where a combination of semi-structured interviews, observations, questionnaires and documentation review (economic/financial reports) was used. The research focused on administrative characteristics and practices related to demographic, social and structural characteristics as well as

issues pertaining to decision-making processes. Specific focus was placed on relationships between dynamics and characteristics of organisational settings and assumptions and beliefs that sustain them.

Fieldwork was characterised by two scenarios where interviewing, participation in conversations and organisational events, and observations took place. In some organisations, access allowed both observing and talking to organisational members; however, in others it was only possibly to administer parts of the questionnaire and only partial access to information was granted amid dynamics that evidenced strict organisational control over both participants and researchers. As a result, researchers' role shifted between fan, voyeur and spy (see Van Maanen, 1978).

### ***1. Sample***

Universe amounted to 25,436 workers, which is the sum of total of workers from all 46 organisations that agreed to participate. Sample was selected based on convenience. Despite reducing the degree of generalisation of results obtained; this type of non-probabilistic sampling is commonly used in business and management due to its greater accessibility and cost-effectiveness (Bryman, 1989). Sample size was 2105 and distributed as follows:

Small organisations (Less than 50 workers): 355 (all workers)

Medium-sized organisations (50 – 500 workers): 1150 (50 workers per organisation)

Large organisations (More than 500 workers): 600 (60 workers per organisation)

Workers approached to participate were mainly professionals and technicians (see Appendix 1) working at Managerial (Managers/Heads of Commercial, Finance and Industrial Relations Offices, Departments or Units); Intermediate and Operational levels.

### ***3.2 Methods***

A combination of methods was used that included a questionnaire, semi-structured interviews and direct observation.

#### ***a) Questionnaire***

Due to the nature of the research, a self-completion questionnaire was deemed appropriate due to its unobtrusive nature as well as easiness in administration (see Bryman and Bell, 2003). The questionnaire consisted of two parts. The beginning of the first part requested sample stratification information. The questionnaire contained 13 detailed multiple choice questions and related to 5 aspects of culture. Questions aimed to identify the orientation of daily activities and interpersonal relationships, relationship between organisation and environment, criteria used for routine decisions and temporal perception of everyday activities.

The second part of the questionnaire was based on the Organisational Ideology Questionnaire devised by Harrison (1972, 1975). It contained 15 multiple choice items to identify the basic orientation of organisational culture through conceptualisations made by organisational members

in relation to issues such as desirable behaviours, criteria to establish priorities, organisational success, organisational power, task assignment, work motivation, teamwork, competition, decisions and communications.

Overall return rate was 92%. It is worth highlighting that return rates for both small and large organisations was 100%.

#### *b) Semi-structured interviews*

Semi-structured interviews were used due to their flexible agenda, particularly how they allow interviewees to explore their own framework of meanings (see Britten, 1995) and for the interview process to develop more informally (Metzler, 1989). Interviews were conducted in environments of great informality, almost always outside the organisation.

All participants were invited for follow-up interviews and 453 were conducted. It was possible to interview workers from all large organisations (174 interviews). Nonetheless, only 18 medium-size organisations (247 interviews) and 4 small ones (32 interviews) participated in this stage. Workers at managerial level and Directors/Heads of HR were interviewed in all cases.

#### *c) Non-participant observation*

The inclusion of the ethnographic element allowed to explore “*the ways in which particular peoples behave and think in their everyday lives without being consciously ‘organised’ for a specific objective*” (Spooner, 1983, quoted in Rosen, 1991). All organisations were visited and their functional areas toured. Visits were facilitated by managers. As such, though the visits enabled to observe behaviours and individual/group work dynamics; these instances took place within a context of subordination, which distorted manifestations of spontaneous behaviour. Nonetheless, they were helpful to identify (in)consistencies between questionnaire responses and data collected from observation.

### **3.3 Organisations in study**

Organisations were mainly private [ii] yet diverse in terms of number of years in the market [iii] with the majority being 30 years or older (see Appendices 2 and 3). Regarding ownership, though the majority were unlisted joint stock organisations; the sample included unlisted public organisations, limited liability partnerships, professional partnerships and professional associations (see Appendix 4).[iv]

In terms of size, participant organisations were mainly SMEs [v]. For the purpose of the study, and considering the number of workers; 13 organisations were identified as small, 23 as medium-sized and 10 as large (see Appendix 5). Most organisations belonged to the service sector yet all sectors of the economy were represented (see Appendix 6).

## **4. Findings**

Based on the observation and analyses of work settings, a shared definition of work dynamics was identified. The main elements of this shared definition are (a) existence of great work pressure exerted by managers; (b) sustained focus of upper levels on organisational efficiency as an isolated element that does not include HRM; (c) inexistence of worker autonomy and empowerment; (d) use of administrative jargon and (e) understanding of loyalty, dedication, compliance and professionalism as desired qualities in workers.

The acknowledgement of considerable work pressures and the focus on efficiency are particularly descriptive of the prevailing open-market discourse embraced by entrepreneurs in Chile (see Meller, 1990). This is also an increasing requirement resulting from perceptions of fierce domestic and external market competition. More specifically, demands for loyalty, obligation (duty) and professionalism and their interpretation(s) as key traits of 'good workers' may be linked to the combination of strong respect for hierarchies and laws, high valuation of professions, and strong influence of loyalty groups. These have been emphasised by some authors (see Gomez, 2001; Rodriguez et al., 2005; Gomez and Rodriguez, 2006) as central to Chilean cultural tradition, and have been exacerbated by the influence of the military discourse, which during 17 years stressed loyalty to the person in authority and promoted carrying out obligations to the point of personal sacrifice.

Within this context organisations are oriented to maximisation of profits with little regard for workers and their wellbeing. Dominant behaviours among workers respond to a model of social conduct which prescribes functional relationships that are emotionally neutral, banning the expression of real emotions and feelings, insofar it is a workplace. Furthermore, it is encouraged that interpersonal relationships are restricted to the workplace, limiting the possibilities of extending them to include families, hence putting pressure on work/life balance issues. Another relevant trait is that both keen individualism and collectivism are rejected. Rather, agreements on collective interest are prioritised, expecting that individual interests are made compatible to those of the collective. In this sense, organisational homogenisation seems to be an aim pursued by organisational culture.

In terms of participation; though 21 of the organisations studied had collective bargaining processes every two years, in 17 cases there was no trade union at all. Comments by participants suggested that whilst organisations did not openly opposed unionisation, attempts were discouraged by actions affecting workers involved, such as negative work evaluations and eventual dismissal due to "needs of the business".

Based on the findings, we propose three categories of cultural discourse that impact organisational structures, dynamics and HR practices. These rely on a more constructivist approach to the analysis of findings, using Harrison's (1972, 1975) ideas of organisational ideology and have been identified as pessimistic/fatalistic, optimistic/maniac and pragmatic/bureaucratic organisational culture paradigms. It is worth stressing that there is overlap between individual components in each category, yet the overall rationale of each categorisation suggests different approaches in orientations and resulting actions.

### ***1. Pessimistic/Fatalistic paradigm***

This paradigm was the most dominant within the research sample with passivity and subordination to external forces being the main characteristics of organisations operating under it. Findings suggested a contradiction between discourse and practice. On the one hand, organisational discourses stressed productivity/productive processes and little attention to workers and dynamics. Comments indicated that organisations are interested in “profit and only profit”, “to produce cheaply and to sell at high prices”, “profitability for the owner”, “survival” and “being big”.

On the other hand, an atmosphere of acquiescence was identified in workers. Individuals show general avoidance to risk/change and lack of creativity. Both individuals and the organisation are willing to assume and accept what is imposed on them or demanded from them. For example, tasks are conducted in a certain way because "they have always been done like that" and production may be increased or reduced because "our clients want more or less of our products and/or services".

The previous is complemented by hierarchically strict structures where figures of authority are the powerful force behind organisational dynamics. Managerial leadership styles are authoritarian, where managers treat areas as “their domain” and make decisions about “their people”. Workers do not participate in decision-making processes and are expected to obey orders. For example, it was highlighted that workers attempted to guess expectations of Upper Management and tasks were carried out based on perceptions. As such, workers would state that "the boss said that..." or "I believe that the boss..." as justifications for work processes and changes.

Workers indicated that “clashes and covert struggles for power”, “significant differences in treatment across hierarchic levels” and “people’s permanent concern for their personal situation” became evident soon after joining the organisation. Workers also acknowledged that “since I have been here there have been no changes” which suggests that they have adapted and/or engaged with operating dynamics. Some comments suggested that inability to change/advance was associated with “many fights, discussions and much rivalry in Upper Management” as well as “many changes (dismissals) in staff”.

In line with the previous; relationships among workers are utilitarian and seek to help individuals in their competition to gain influence with Upper Management. For instance, participants asserted that relationships with colleagues were superficial and politicised with “strong group/area divides in the organisation” where “each one defends their own group”. This was perpetuated by a reward system sustained by the quality of the relationship with Upper Management rather than assessment of the quality of work performed/produced.

In terms of HRM practices; workers are strictly controlled under the assumption that productivity is linked to both rigorous supervision levels and monitoring, such as time recording devices and closed-circuit televisions. Similarly, there was evidence of enforcement of internal control at all levels as a means of preventing workers from bypassing or disregarding rules. Similarly, HRM practices promote ‘pyramidal’ relationships as communication with workers resemble feudal structures, with strong focus on formality and procedure and little attention or interest is placed on workers’ objectives and lives.

In summary, work organisation in a pessimistic organisation is centred on authority figures, where “individualism prevails”, the environment is “impersonal” and relationships are “competitive”. The previous was highlighted by comments made by participants, such as “one lives under permanent tension and pressure”, “all is defined as urgent”, “people show an increasing lack of interest in their work” and “everything is done in a climate of fear of authority/the owner”. In that respect, HRM practices capitalise on this fear and result in workers’ perception that the organisation “does not care about people” and that “decisions are more related to managers’ interests than to the needs of the organisation or its people”. (Table I provides a summary of this paradigm).

**Table I: Pessimistic/Fatalistic Paradigm - Summary**

| Pessimistic/Fatalistic                                                                                                  | Organisational Characteristics                                                                                             | Organisational Practices                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organisation has a subordinate relationship with the environment                                                        | Classical philosophy (Fayolism).                                                                                           | Strong mechanisms of control and punishment. Close supervision. Emphasis on controlling and supervising workers.                                                  |
| It is subject to external forces over which it cannot exert control.                                                    | Emphasis on technical aspects of productive process.                                                                       | No worker participation in decision-making.                                                                                                                       |
| Validation criteria rely on power.                                                                                      | Repetition and reproduction are encouraged. Military model.                                                                | Leadership exerted by means of orders and instructions from person with power to reward.                                                                          |
| Individuals are passive/receptive. If not prompted, they do not move. External control locus. Workers avoid punishment. | Behavioural homogeneity is rewarded. Loyalty and reliability are the most important criteria in evaluating performance.    | No mechanisms to negotiate with competitors or pressure groups that could either facilitate or obstruct organisational activities.                                |
| Present/past orientation. Past attainment and failure more important than current actions.                              | Permanent concern for legal framework.                                                                                     | No R&D area.                                                                                                                                                      |
| Human nature is evil, not perfectible.                                                                                  | No motivation concerning HRM.                                                                                              | Incentives, wage adjustments, trade union activities, training, social and fringe benefits granted in strict accordance to the law yet distribution is arbitrary. |
| Individuals join the organisation with a shaped personality that cannot be changed.                                     | Vertical organisational structure. No delegation. Informal influence groups. Strong hierarchies. Functional relationships. | No mechanisms enabling workers to train and/or develop themselves.                                                                                                |

## **2. Optimistic/Maniac paradigm**

These organisations demonstrated inability to critically assess reality and its constraints (legal, environmental and organisational) and there was a pervasive idea that “everything is possible”. Discourse revolved around strategic planning as a key market differentiator (see Powell, 1992). This is evidenced in the recurrent used of terms such as “strategise” alongside statements such as “to increase participation in the market”, “to be leaders in the market”, “to maximise the value of the organisation”, “to help the organisation sustain itself over time”, “to satisfy clients” and “to

have efficient administrative processes”.

Additionally, there was a strong discourse of “control of the environment”. Main aims generally included “changing the market”, “influence consumers” and “change legislation so as to obtain some specific advantages”. As a result, there was a recurrent presence of innovation initiatives and long-term plans sustained on definitions of desirable outcomes; for instance, “we want to be the leaders in the market over the next few years”. Nonetheless, in most cases; there was little or no concrete evidence of information, such as detailed business plans, to realistically sustain these expectations.

In this paradigm, change and innovation are relevant to everyday work as they demonstrate that the organisation is “ahead of the market”. For instance, for decisions at all levels, workers were encouraged to apply analytical procedures of different types: experimentation, simulation, critical analysis of relevant information, consultation with specialists or systematic analyses of possibilities in relation to different forces affecting future scenarios. This was complemented by what could be identified as ‘discursive innovation’, where the adoption of jargon was reinforced and reproduced in meetings, written statements and general organisational communication. Such jargon included the use of terminology such as “efficient”, “professional” and “systematic”, along with “innovative”, “edge of technology” and “visionary” to describe workers, groups, processes, structures and dynamics. However; there seemed to be a misunderstanding of organisational innovation and instead, discourse remained as cheap managerial talk (see Strang, 1997).

As a result, workers were expected to be polyvalent as this helped organisational effectiveness. Accounts indicated that “there is always pressure during working hours” as people “always have a lot of work and at an accelerated rhythm”. In similar accounts, other participants stated that workers need to have “maximum knowledge of the function performed” and must “work in a responsible manner, giving the best of themselves in each function without making any mistakes, in the interest of quality”. In addition, findings suggested that connections between workers include a strong emotional component which goes beyond the frame of reference of work and organisation and is sustained on each worker’s actions being relevant to ‘making it big’. This generated great stress and covert feelings of competition.

Interestingly, accounts revealed that positive perceptions regarding “people’s professional level” and an “absence of control” attracted individuals to organisations and remained as initial motivators. Nonetheless, this was also complemented by perceptions regarding “differences between ‘career personnel’ and ‘professionals’”, with the latter being overtly distrusting of the previous. Participants also acknowledged that organisations place importance on specialisation, training in total quality, and development of communication, technological, negotiation and teamwork skills. Workers are expected to demonstrate “great interest in and understanding of clients”, establish “good relationships with people” and be able to “change and develop new work procedures that call for an increase in participation in work decisions”.

Along these lines, individual success was associated with “very professional individuals with much fondness and respect for fellow workers, who are hard-working, involved and willing to accept changes”. Priority was given to those “highly qualified” and “interested in their professional development”. Depictions of successful individuals resembled the heroic accounts of

leaders made by Deal and Kennedy (1982) and Peters and Waterman (1982). For example, participants' comments indicated that successful organisational members were "technically very capable", "those who take up leadership" and have "much experience, intelligence, with decision and deftness to face different situations". The ideal worker in an optimist organisation is perceived to be the "non conformist who has great ideas and many interests and who demonstrates good ability to cope with the strategic points in the organisational structure of the business"; "they are gifted, they have creativity, they are daring, like to take on risks, make decisions, they are leaders".

Work relationships are non-hierarchical and participants acknowledged that relationships with Upper Management were "good and very integrated", with "open communication", "support at lower levels", "mutual respect" and "high levels of personal trust". Nonetheless, there was a strong element of power of expertise that determined group alliances. Some participants suggested that relationships could be improved as they were sustained only on perceptions of how 'good' ("technically capable", "knowledgeable", "useful to organisational aims") workers were. This puts "too much pressure to deliver" or "pressure to be creative no matter the cost". In that respect, optimistic organisations seemed to get trapped in aspects of image and reputation with the implications and expectations they carry, hence generating an imperative for workers to live up to those expectations all the time. This had a negative impact in workers' self-confidence as they were expected to deliver amid "unbalanced workloads" and "rushed work", and where "criticisms are not always constructive as people are expected to find the best way by themselves".

These organisations reward commitment, productivity and quality. HRM policies promote rewarding individuals' "spirit of personal growth, companionship and co-operation; their participation and ideas they may contribute". Performance is measured based on workers' "ability to learn and assume leadership", as well as "ability to find and propose solutions to problems and attain goals and objectives". (Table II provides a summary of this paradigm).

**Table II: Optimistic/Maniac Paradigm – Summary**

| Optimistic/Maniac                                                                                                                                         | Organisational Characteristics                                                                                                                                                 | Organisational Practices                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The organisation has a dominant relationship with the environment.                                                                                        | Humanist philosophy. Emphasis on interpersonal sensitivity.                                                                                                                    | Administrative support is provided to new activities. Normal budget considers R&D.                                                                                                                                            |
| It is powerful and can exert influence on the environment.                                                                                                | Socio- technical approach in designing work, emphasis on social aspects of work.                                                                                               | Strategic planning or long-term planning exercises.                                                                                                                                                                           |
| Criteria of validity rely on expertise - knowledge, skills and abilities.                                                                                 | There are reward mechanisms for innovation and new ideas. Development and training are encouraged through plans and programmes.                                                | Management by objectives and results. Planning and Research Units are valued the most. HR planning in place.                                                                                                                  |
| Individuals are proactive/innovative. They must be given elbow room to act on their own. Internal control locus. People are inclined to self realisation. | Heterogeneity is promoted. Members are expected to show creativity, innovation ability and critical evaluation whenever the opportunity is suitable. Interest in investigating | Induction, training and development systems and programs for workers. Policies of incentives, bonuses and benefits linked to results. Creativity and knowledge are the most important criteria in evaluating performance. New |

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|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Present/distant future orientation. Future opportunities model actions in present.      | reality. Permanent interest in technological changes and new managerial approaches.                                                                                                    | ideas are rewarded. Participatory style of leadership and group work more important than formal structures, procedures and regulations.                |
| Human nature is good, perfectible. By nature, people tend to face challenges and adapt. | Emphasis on worker autonomy, initiative and motivation in relation to work. Delegation of functions and authority at the levels. Many informal relationships in connection with tasks. | Systematic evaluation of occupational satisfaction. Programmes aimed at organisational change to improve social conditions of work.                    |
|                                                                                         | Flat and matricidal organisational structure. Frequent work meetings.                                                                                                                  | Instructions and procedures devised by those who perform work. Popularity of quality circles and lines of excellence. Active participation of workers. |

### ***4.3 Pragmatic/Bureaucratic Paradigm***

Pragmatic/bureaucratic organisations establish a relationship of harmonious coexistence with the environment. External focus is on provision of services and products to comply with the expectations of the target market yet this is regulated by a strict focus on internal rules and procedures. Based on responses by participants, it is understood that the only way to be efficient in these types of organisations is by “unquestioningly following procedures”. This echoes Hanson’s (1974) idea that organisational bureaucracy is a central characteristic of Latin American organisations, particularly the public sector, where priority is given to solving problems within the limits, norms and definitions that have been set by organisation and environment.

Some interesting metaphors by participants that reflected this pragmatic/bureaucratic approach talked about workplaces being “like a soccer team, where several people perform different functions under the surveillance of a coach” or “a school and the work are the tasks that we get assigned by the teacher”. Other accounts stressed the importance of “recording internal information” this seemingly being at times “more important than serving clients” and “controlling and reviewing tasks”.

Approaches to work were described by participants as “planning”, “control”, “compliance”, “sense of responsibility”, “routine”, “formalism”, “punctuality”, “perseverance” and “contractual duty”. In line with these principles, HRM practices and policies prioritised “discipline and order”. The way settings are structured, there is “hardly any communication among personnel” and “decision-making is restricted to managerial levels”. Accounts by participants’ made reference to the formal, paper-bound hierarchical relationship between workers and managers, where not only “information is strictly monitored” but there was also “great formality in interpersonal exchanges” and “much bureaucracy and internal paperwork”.

The power of seniority see these organisations stratified and in some cases resemble feudal systems where ‘lords’ of encultured and embedded knowledge (see Collins, 1993) establish protégé groups with whom they share what they know. Inclusion finds its counterpart in neglect of

other groups and internal conflicts based on occupational hierarchies (see Rodriguez et al., 2005). For instance, some participants indicated that only after persistent insistence; arrangements had been made to meet their training requests.

Generally, there is no indication that pragmatic organisations either encouraged workers to train and develop or have any existing plans/programmes. This could explain why descriptions of good workers relied solely on morally acceptable traits such as “cautiousness”, “judiciousness”, “reservation”, “responsibility” and “loyalty to the organisation”. According to managers, these traits are reinforced by rewarding workers who are “disciplined, punctual and efficient in performing their duties and responsibilities”, “are devoted to their functions”, “are perseverant and practical”, “are like-minded, hard-working people who abide by the organisation’s procedures” and “are observant of structures and traditions of the organisation”. Workers, on the other hand, interpret that rewards come to those who demonstrate “constancy in their work”, “accomplish the goals set”, “are always attentive to their work” and those who are “formal, punctual, loyal and submit their assignments and perform timely” (Table III provides a summary of this paradigm).

**Table III: Pragmatic/Bureaucratic Paradigm – Summary**

| Pragmatic/Bureaucratic                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Organisational Characteristics                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Organisational Practices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The organisation has a relationship of harmonious coexistence with the environment. It lacks power to modify the environment, but has the means to find a favourable niche in keeping with its interests. Criteria of validity rely on experience (seniority and level of knowledge of the organisation). Individuals are reactive. Incentives stir people into action. External and internal control locus. Organisational members’ behaviour is characterised by predictability. Present/near future orientation. Projection of results being obtained defines actions undertaken. | Human Resources Philosophy (Human Capital Formation). Emphasis on incentive systems associated with performance. Design of work considers both social and technical aspects. Achievement of goals and objectives through established procedures is encouraged. Innovation is accepted if the risk is accepted by whoever takes the initiative. Emphasis on avoiding conflicts. Systematic enforcement of rules and procedures. Punctuality and performance highly valued. Hierarchic and functional relationships, as prescribed by job definitions. Centred on fulfilling tasks. Bureaucratic leadership. Focus on abiding by formal structures and procedures. Job description is more important than tasks. Vertical and functional organisational structure. Formal delegation of | Administrative support for regular and customary activities. No resources for R&D are allocated through the normal budget, but this is not an obstacle to such activities. Workers’ participation in training is positively viewed, provided that there is no interference with the organisation’s normal operation. No structured formal program. Attainment of goals, plans and programs is evaluated. Exercises to project short- and mid-term results. Systems and programs to select personnel and administrative support to manage them. Clear formal definition of activities assigned to job positions held by individuals. Specific instructions are prescribed therein. All exceptions stem from informal negotiation processes. Restricted participation of workers within the scope of their own activities. Passive |

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|--|----------------------------------------|------------------------------------|
|  | functions according to internal rules. | participation in job descriptions. |
|--|----------------------------------------|------------------------------------|

## 5. Conclusions

It could be summarised that for our sample; both Chilean national character models organisational culture and organisational culture has a significant impact on administrative and HRM practices in organisations (see Triandis, 1980; Kelley and Worthley, 1983: 164-173; Hofstede; 1985, 2001). Findings show that managerial practices in general and HRM practices in particular are hybridised to fit the context, as indicated by characteristics of the proposed paradigms. For instance, discursive focus on market dominance and competition reflect the influence of American neoliberal discourse (see Letelier, 1976) yet internal dynamics see workers expected to obey and have no work autonomy. Hence, assumptions and practices evidence a reinterpretation of foreign elements in light of national characteristics, such as *compadrazgo*, managerial power and hierarchical relationships (Huneus, 1979, Edwards Bello, 1983; Subercaseaux, 1999). All three paradigms suggest practices that perpetuate the employer-centred nature of employment relations. However, the dominance of the Pessimistic/Fatalistic paradigm is not surprising considering the historical predominance of power-related struggles in Chilean society (see Table IV).

Finally, even when findings of this research cannot be generalised to the whole of Chile, they present new evidence that helps understand many behaviours observed in Chilean organisations and gives policy-makers and practitioners sounder foundations to design organisational programs, policies and action plans. One of issues we referred at the beginning of this paper was HRM's corporativist approach and findings suggest this for the sample.

Practitioners must understand how organisational cultures both perpetuate traditional patterns of unequal power relationships between workers and organisations and override changes by 'corrupting' new practices. Furthermore, much discretionary behaviour that operates under the umbrella of organisational cultures and negatively affects workers is overlooked by the Labour Code. This makes it imperative for policy-makers to address this practically by tackling blurred areas of the Code. This is possibly the most realistic way to help improve the quality of employment relations and develop fairer and useful HRM practices.

**Table IV: Organisations and proposed paradigms**

| Paradigm | Organisations  |                  |                 | Total |
|----------|----------------|------------------|-----------------|-------|
|          | Primary sector | Secondary sector | Tertiary sector |       |
|          | Small          | Medium           | Large           | Small |

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## Appendix 1

### Participants by highest educational level

| Level                | Percentage |
|----------------------|------------|
| Elementary education | 5          |
| Secondary education  | 23         |
| Technical education  | 36         |
| Higher education     | 36         |
| Total                | 100        |

## Appendix 2

### Participant organisations distributed by type of organisation

| Type of organisation                                                 | Cases |
|----------------------------------------------------------------------|-------|
| Private - without any link of ownership or management from the State | 32    |

|                                                        |    |  |
|--------------------------------------------------------|----|--|
| Private - former State-owned organisation              | 3  |  |
| Private - formerly intervened and managed by the State | 6  |  |
| State - public sector                                  | 1  |  |
| Mixed - where the State has participation majority     | 3  |  |
| Non-profit organisation                                | 1  |  |
| Total                                                  | 46 |  |

### Appendix 3

#### Participant organisations distributed by years in the market

| Years in the market               | Cases |
|-----------------------------------|-------|
| Less than 5 years                 | 4     |
| Between 5 and less than 10 years  | 10    |
| Between 10 and less than 20 years | 8     |
| Between 20 and less than 30 years | 7     |
| 30 years or more                  | 17    |
| Total                             | 46    |

### Appendix 4

#### Participant organisations distributed by type of ownership

| Type of organisations studied     | Cases |
|-----------------------------------|-------|
| Listed joint stock organisation   | 12    |
| Unlisted joint stock organisation | 18    |
| Limited liability partnership     | 14    |
| Professional partnership          | 1     |
| Professional association          | 1     |
| Total                             | 46    |

### Appendix 5

#### Participant organisations distributed by size

| Number of workers            | Cases |
|------------------------------|-------|
| Less than 50 workers         | 13    |
| Between 50 and 100 workers   | 5     |
| Between 101 and 500 workers  | 18    |
| Between 501 and 1000 workers | 7     |
| More than 1000 workers       | 3     |
| Total                        | 46    |

### Appendix 6

## Participant organisations distributed by economic activity

| Economic Sector       | Cases |
|-----------------------|-------|
| Primary               |       |
| Mining                | 5     |
| Agriculture           | 1     |
| Forestry              | 1     |
| Secondary             |       |
| Metal-mechanic        | 3     |
| Textiles              | 3     |
| Chemical and related  | 3     |
| Food                  | 5     |
| Tertiary              |       |
| Health                | 3     |
| Communications        | 4     |
| Banking and Financial | 5     |
| Other services        | 13    |
| Total                 | 46    |

### [i] "I AM ABSENT BUT DEEP IN THIS ABSENCE

There is the waiting for myself

And this waiting is another form of presence

The waiting for my return"

[ii] The political and economic processes experienced by the Chilean society over the last decades are reflected to some extent on changes to organisational ownership. There are organisations which were set up by the State and were subsequently privatised after 20, 30 or more years of State-management. Other organisations were the result of private initiative but, during the period 1970 -1973, they were either acquired or intervened by the State and were kept under its control until they were re-privatised in the period 1975-1985. Finally, there is a group of organisations that, though private, were intervened and managed by the State between 1981 and 1988; essentially, banking and financial organisations were in this situation. For an overview of the privatization process in Chile between 1975 and 1988, see Hachette and Lüders (1992).

[iii] Organisations were classified based on their temporal market presence according to the following rationale: organisations with less than 5 years correspond to those in formation and which emerged during the process of economic recovery following the 1981 crisis. Organisations with a presence of 5 to 10 years correspond to those that began to operate during the 1981 crisis. Organisations with a presence of 10 to 20 years correspond to those that began their activities during the first years of the Military Regime. Organisations with 20 to 30 years are those which were set up during the processes of change and political instability of the sixties and seventies. Finally, organisations that have been in operation for more than 30 years are those which emerged within the context of State protection.

[iv] Each of these types of ownership operates under a set of legal regulations, which affects them regarding taxation, legal liability, and reporting/disseminating economic and financial information. A listed public organisation is a joint stock organisation, which can either be State-owned, public or mixed. Involvement in the decisions relates to shares owned by each participant, which are equivalent to the number of votes to elect the Board of Directors. The most significant difference between listed and unlisted public organisations is that the former must make their financial statements of profits and losses and other related financial information public on a periodical basis and that the Board of Directors has to be elected according to specific legal regulations. The shares of listed joint stock organisations are transacted in the Stock Exchange alone and their management is under the supervision of the Superintendence of Joint Stock Organisations. A limited liability partnership is a type of organisation that has a legal liability which does not exceed the capital stated in the articles of association. It does not have to make its financial statements public and the partners share the ownership in proportions that are established

according to the capital contributions defined at the moment of setting up the partnership. Internal operations and participation in the decision-making processes are prescribed by internal regulations and established in the articles of association of the organisation. Lastly, a professional partnership is an organisation of people holding a professional degree, who become associated in order to freely practice their profession. It differs from joint stock organisations and from limited liability partnerships in that they do not need an initial capital to begin to operate. They are subject to a different taxation system which includes special tax exemptions. Its internal management is agreed by the members of the organisation.

[v] In organisational and economic literature; different criteria are used to classify organisations according to size. For instance, the 1978 UNID Report on the situation of the industry in Chile, classifies organisations as micro-enterprises (less than 10 workers), small companies (between 10 and 50 workers), medium-sized companies (between 50 and 500 workers) and large companies (more than 500 workers). The Industrial Census uses only two categories less than 50 workers and more than 50 workers. However, the Corporacion de Fomento a la Produccion (CORFO) [Corporation for the Promotion of Production] uses the following classification: microenterprises have up to 4 workers, small enterprises have up to 49 workers, medium enterprises have up to 199 workers and large enterprises have more than 200 workers.