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HRM and work practices in Chile: organisational culture as regulation

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HRM and Organisational Culture: a study of the Metropolitan Region of Chile

Introduction

For the past 20 years, the Latin American region has remained at the centre of scrutiny in business and management studies given the emergence of Chile in the 1990s, and more recently the emergence of Brazil as one of the strongest economies in the region until the recent onset of economic crisis in the latter. However, amid discourses of advancement and economic development, both employment relations and the quality of employment remain largely unexplored in Latin America (Hojman & Perez Arrau, 200; Nuñez and Aravena, 2005; Aravena, 2007; Lopez, 2007). The Chilean case deserves special attention given its relevance for neoliberals as a supposed ‘Latin American country model’ of economic development. Despite this, many aspects of the labour relationship in Chile belie neoliberal assumptions which ignore the negative historical relationship between employers and workers. The authoritarian cultural legacy continues to impact labour relations (Duran-Palma et al., 2005; Rodriguez, 2010) and issues such as restrictions to collective bargaining, organisations’ ability to replace workers on strike, and the possibility of dismissal ‘due to company’s needs’. This legacy reproduces space(s) for multiple instances of employer abuse (Nuñez and Aravena, 2005). Other factors such as the strong paternalism and male managerial dominance make this legacy difficult to overcome (Valdivieso, 2000; Rodriguez & Gomez, 2009).

The structure of employment relations in Chile can be traced to a historical evolution strongly influenced by racism and classism rooted in the Eurocentric mindset of dominant elites (Valdivieso, 2000). In this context, HRM practices can be characterised as following an egocentric approach, particularly at the functional level, where practices such as recruitment, selection and performance appraisal are shaped by personal interests. For instance, job applicants are selected based on friendship, kinship, compadrazgo and other types of informal social networks (see Gomez and Rodriguez, 2006; Rodriguez & Gomez, 2009). Conversely, the aims of HRM are frequently misunderstood; as will be seen, Chilean workplaces are sites where the links between socio-cultural and historical backgrounds and the characterisation of the country as having experienced “significant culture shifts toward embracing Anglo values” (Leung et al., 2005: 361) can be identified.

The historical relevance of HRM has also been central to the way in which the HR function is translated into practice. Research (e.g. Berg, 2000; Gomez, 2001, Rodriguez, 2010) has highlighted that prior to 1989 and the return of democracy, statistical analysis was forsworn in HRM activities while selection was the only tool utilised in organisations. After the return of democracy, there was acknowledgement of the generalised presence of HR units in organisations; nevertheless a recurrent aspect was the lower hierarchical level of the HR function. This was associated with its perceived lack of strategic involvement and the level of pay awarded to HR executives in relation to other executives, especially those in commercial areas of the business. Additionally, organisational size is significant in terms of the level of importance given to HR, which is particularly important as 99% of companies in Chile are SMEs (Rodriguez et al., 2005). Ultimately, employment relations in Chile have been rigidly framed and regulated around legislation (Rodriguez, 2010), which has historically impacted the way HRM practices are articulated.

Some studies (see for example, Marco and Martine, 1994; Felzensztein and Gimmon, 2007; Serpell and Ferrada, 2007) attempt to map the ways in which Chilean organisations fit within European and American models, obscuring the relevance of regional and local workplace taxonomies. In the Chilean case, the predominance of the neoliberal discussion partly obscures historical, social and organisational issues relevant to understanding workplace cultures and HRM practices. This is not to argue that HRM is inherently neoliberal, but we cannot discount the relationship between the neoliberal way in which HRM is understood in the West and its attendant neoliberal ideological articulations in Chile. In addition, relatedly, since most study samples have been usually restricted to managers in organisations, a partial, if not unbalanced, view of the employment relationship is often portrayed. Those committed to an ideological notion of HRM as a part of the modern employment relationship rarely reflect on fundamental critiques of its provenance.

In seeking to restore the empirical balance somewhat, this paper aims to provide insight into work practices in Chile, in particular how organisational culture is used as a mechanism to regulate Chilean workplaces, and placing special attention to the relationship between workers and managers and how this reconfigures work practices. The following section presents a conceptual overview of the relationship between HRM and organisational culture. Further sections explain the research process and findings, focusing on structures, work, participation, motivation, work relationships and communication. The final section concludes the paper.

Organisational Culture and HRM

There is complementarity between organisational culture and HRM. The concept of organisational culture has been used to describe and interpret work settings as dynamic and live systems, using notions of sharedness and social survival (Argyris, 1979; Davies, 1984; Schein, 1985; Martin, 2002) to highlight how individuals discover, create and share ideas about the right way to behave as they go about their daily activities in the workplace. Hoogervorst et al. (2004) suggest that organisational culture provides behavioural guidance, helping organisational members to guide their actions and perceptions.

In practical terms, organisational culture finds its grounding in cultural indicators such as symbols, ideologies, rituals and myths. These cultural indicators are said to have diagnostic value for HR professionals because they facilitate understanding of organisational cultural reality and how it filters understanding of its practices (Ulrich, 1984). Given that there is not a single way to either understand or manage organisations, organisational culture is seen as a way of making sense of what happens and how this reflects collective understandings. This could explain why the notion of organisational culture has been embraced as part of HRM rhetoric when attempting to manage and control individuals and groups. For example, in their review of the relationship between organisational culture and high-performance HR practices, Chan et al. (2004:21) concluded that there is general agreement that “a supportive organisational culture is needed for human resource practices to result in advantage-creating capabilities”. Conversely, the conceptualisation of HR as strategic partner, expert on work organisation and execution, champion for workers and agent of continuous change (Becker et al., 2001) highlights the role of HRM as central to sustaining desired

organisational cultures. HRM is not only seen as part of a high-commitment model of labour management but rather as crucial to the ways in which employment relationships are managed (Boxall & Purcell, 2000).

In that respect, the relationship between HRM and organisational culture can be linked to what Sackmann (1991) identified as the practitioner concern with organisational control and prediction, which was the initial drive behind the study of organisational culture. Acknowledgement that the social needs of workers were rarely satisfied by formal organisational structure led to a focus on the impact of informal activities, with special attention on how to influence the formation, character and dynamics of groups. The result was a perceived causal relationship between HRM and organisational culture; by arguing that distinctive features of organisational presence were linked to a perceived sense of belonging, the idea that HRM practices could promote desirable organisational cultures became prevalent (Aycan, 2005). It is in this very argument that the role of organisational culture as a regulating mechanism that is then supported by HRM practices can be identified.

The HRM/OC relationship is now widely developed within mainstream discussion (see for example, Aycan et al., 2000; Taylor et al., 2008), resulting in frameworks that try to explain the relationship between cultures and management practices. More recently, the discourses of globalisation and their implications for organisations have made the HRM/OC relationship central when framing discussions of convergence and divergence (see for example, Chen and Wilson, 2003; Aycan et al., 2007; Miah and Bird, 2007; Ralston et al., 2008). This is particularly significant in discussions about the influence of socio-cultural and business ideology on values and resulting practices in the workplace (see Ralston, 2008). In the Chilean case, this would be fundamental as adopting a neo-liberal ideology has seen organisations embrace free-market rhetoric promoted by the State while management and HRM dynamics continue to operate under principles of control, regulation and fear in the workplace.

The study: HRM and organisational culture in Chile

The current research was conducted with the aim of exploring the relationship between organisational culture and HRM practices in Chilean workplaces. The research was conducted in the Metropolitan Region of Chile, which covers 6 provinces and 52 neighbourhoods and where Santiago, both the regional capital and capital city, is located. The sample was non-probabilistic; this sampling method was chosen to facilitate achieving a larger number of participants. The size of the sample was determined using the common statistical parameter of representativeness hence it was determined to survey 10% of the active working population in the Metropolitan Region. According to the most recent data available from Chile's National Institute of Statistics (INE), the active working population in the Metropolitan Region at the time of the survey was 1,950,469 hence the sample of 2000. Criteria for participation were (1) Chilean nationality, and (2) being employed by an organisation in the Metropolitan Region.

A self-completion questionnaire was used. The questions focused on material and symbolic aspects of organisational culture, as well as empirically observable patterns of social interaction and work practices, and HRM practices. Questions were organised in dimensions of task, role and individual relationships, and covered aspects related to

organisation of work, general aspects of the employment relationship, HRM practices, interpersonal relations, and manager/worker and worker/worker interactions. Questionnaires were administered in different geographical locations and work settings within the Metropolitan Region. Of 2000 questionnaires administered 1,382 questionnaires were returned, a response rate of 69% (83 questionnaires were invalid. The final sample comprised 1,299).

The sample was diverse in both gender and age. Most participants (64%) had attended higher education but only a few more than a third had completed a degree. The remaining had technical degrees, completed secondary education or completed basic education with incomplete secondary education. More than two thirds of participants worked in the private sector; with more than half being employed by SMEs. This is particularly representative of the general organisational landscape in Chile as 99% of formal companies in Chile are SMEs (Rodriguez et al., 2005). Participants' areas of work were diverse and covered mostly commercial, administrative, financial and production areas.

Findings and discussion: culture, work and HRM practices in organisations in Chile

In this section, we look at structures, work and participation, and motivation, relationships and communication.

Structures, work and participation

Key themes emerged from the findings in respect to structures, work and participation. Organisational structures were thought to be inflexible and paternalistic organisations were said to be strongly legalist but highly permeable to discretionary internal norms. The importance of networks was highlighted as power and status were directly linked to individual networks and alliances. Issues such as discrimination based on educational background, physical appearance and gender were noted as prevalent. In terms of participation, workers' lack of independence was noted and the presence of unions seemed fragmented, with mixed perceptions about their role and credibility.

Organisational structures were portrayed negatively. Whilst workers perceived that organisations are economically stable (organisational and national discourses of progress and economic prosperity reinforce this notion); two thirds of participants indicated feeling insecure about their jobs and perceived that jobs are unstable. General feelings of insecurity are attributed to paternalistic organisational structures where discretionary decisions linked to power and status determine rewards, discipline and punishment. As a result, HRM practices were classed as unfair and workers associated organisational practices and dynamics with abuse.

Worker participation in decision making about work was considered to either have remained similar or decreased. Historically, employment relations in Chile have favoured employers and worker participation has been very limited (Barrera, 1981). Findings from this study support this and further suggest that these historical patterns of uneven relationships between employers and workers have debilitated employment relations. Social dynamics regulate workplace settings, sustained through management practices that resemble the unequal power relations of colonial times. Findings also

suggest that organisations lack flexibility. For example, both men and women struggle with work/life balance issues and reasonable allowances are usually negotiated individually and are difficult to obtain. Interestingly, managers from the sample consider organisations to be ‘flexible when necessary’ with some noting that flexibility needs to suit the business and help production and results. It is unclear how the relationship between flexibility, wellbeing and productivity is understood in strategic terms and the links to contemporary (‘Western’) HRM which is said to place much importance on worker wellbeing as part of an overall HRM strategy to promote productivity and high-performance working (see Macdonald, 2005; Boselie et al., 2005) maybe somewhat tenuous. Workers’ comments give an indication of how the relationship between employers and workers is perceived to be utilitarian with little attention placed on their needs and wellbeing. For example, participants noted that “managers don’t care, they just want you to follow orders and be available when they want” and “companies don’t care about the person, they just care about results, no matter how”.

Whilst there was recognition that organisations treat workers strictly according to the law, this refers mainly to aspects bounded by legality such as contracts and legal benefits. More subjective aspects, such as distributive justice, were negatively perceived. For example, more than half of participants considered that whilst organisational norms are strict, they are enforced on a discretionary manner and are dependent on individual networks and alliances. This taints perception of the fairness of disciplinary practices. For instance, a participant reported that he had been punished as a result of his political preference and friendship with someone his line manager considered to be “an enemy”. This punishment came in the form of ‘threatening talks’ where the line manager chastised him “for his own good”. Other participants gave similar accounts of instances where managers had reprimanded workers yet assured them that it was “for their own good” or “to protect them”.

This benevolent intent is a central feature of the paternalistic management style prevalent in Latin America and can be traced to colonial times (Martinez, 2005). This historical paternalistic approach operates in the form of authoritarian messages that reinforce power yet are disguised as part of a discourse of apparent protection (see Gomez, 2001). The HRM meaning of the sign appears to conflict with the cultural meaning of the signal yet the powerful nature of the message remains central. Even though these comments cannot be generalised to the whole of the sample, it is important to highlight their relevance in the context of the relationship between HRM and organisational culture. Comments made within the framework of the cultural network affect behaviour by influencing perception. The messages they convey are fundamental to the way future behaviours and actions are shaped by a regulated organisational culture that ultimately legitimises work practices and defines HRM.

Informal norms were identified as more powerful than formal ones and organisational survival was associated with specific networks and the strength of these networks. Participants noted that in order to survive one should understand “the way around things” and whilst this could be seen as a fundamental trait of organisational culture, it also speaks to a more fundamental form of regulatory framework that leads to HRM practices being discredited by both perceptions of unequal procedural justice that generate feelings of insecurity, and workers’ struggles with threats of internal exclusion

and segregation. It is in this respect that the predominance of compadrazgo networks in Chilean society (see Lomnitz and Melnick, 1991; Gomez and Rodriguez, 2006) can be understood to be a fundamental aspect of employment opportunities. A large majority of participants considered formal recruitment and selection as untrustworthy mechanisms indicating instead that pitutos¹ (family, friends and political contacts) are key determinants for getting a job. Lack of credibility is the strongest implication of this system; when these contacts are used to get a job, they undermine both HRM processes and workers' perceptions of HRM credibility. Similarly, discrimination based on educational background, physical appearance and gender was also found to be prevalent in recruitment and selection. For example, qualified individuals may be discriminated on educational grounds, for instance, based on the social status of the educational institution they attended. One participant noted that, "it's not the same to study in La Catolica than to study in a private university". Similarly, socio-economic level played an important role and a combination of physical attributes and geographical location (neighbourhood in particular) was said to be used to make selection decisions. These criteria are rooted in culture and operationalised through HRM practices, creating distinctions that produce social and power positioning in organisations revealed in the ways opportunities are made available and allocated. This echoes findings from a study by Garretton and Cumsille (2002), who noted that inequality in Chile is mainly associated with distinctions emerging from and associated with understandings of class. Their findings suggested that people face inequalities of income, opportunities, and treatment at work, yet the inequalities with the highest level of legitimacy in Chilean society are those related to diversity (for example, educational and ethnic).

With respect to gender discrimination, participants agreed that men are not subjected to discrimination on the grounds of gender, but almost half of the sample noted that women are. This may result from the prevalent machismo culture in Latin American societies, which is evident in the under-representation of women in management (Abarca & Majluf, 2003; Hermans et al., 2017). Similarly, discrimination associated with social prejudice against women appeared evident in the way they were assessed more severely than men; for instance, some organisations tested women for pregnancy before employment and asked personal questions unrelated to work during job interviews. One participant noted that "in my interview they asked me whether I was married and if I had plans to have any children soon".

Questions about dynamics of worker participation elicited responses suggesting that the presence of unions is fragmented with half the sample indicating that unions are an active part of their organisations. However, unionisation in general is in decline, which was attributed to perceptions of union leaders as politicised figures looking out for their own interests and suggestions that organisations control and manipulate unions. In many cases, the relationship between unions and human resources offices is seen as negative. Human resources areas are said not support unionisation because "it only creates problems". Many participants expressed the view that HR offices promote de-unionisation by discouraging employees from seeking any form of support or advice other than from HR itself. These practices hint towards the unitarist HRM approach that underlies many current managerial approaches, where workers are encouraged to deal with employers as key organisational stakeholders (Geare et al., 2006)

Motivation, relationships and communication

Asked about work motivation, participants indicated that this was inherently low with the key motivator for work being financial need. Organisations were considered to provide little opportunities for workers to develop and a utilitarian approach to learning was identified with little or no development opportunities. As a result, workers perceived that organisations did little for them outside financial remuneration. The manager-worker relationship was considered central to the lack of work motivation. Highly hierarchinal relationships and communication dynamics between managers and workers was reported by workers, who indicated that they had minimal to no input on decisions regarding work because decisions were normally restricted to those in formal positions of authority. The idea of “perceived mutual distrust” was put forward by workers, whom were identified by managers in the sample as risk avoidant, lazy, unable to accept criticism and needing to be told what to do. Conversely, workers considered managers to be strict, paternalistic, indifferent and non-participative. In general, workers’ narratives shift from discourses of distance between themselves and workplaces to discourses of emotional proximity and commonalities with other workers.

Results indicate that more than half of participants had been offered or participated in some form of training; of those, a significant majority indicated that training available only related to the job and less than a fifth stated that it helped them to learn new skills. This suggests that learning and development practices are centred on job training and not generally widespread. They are also fragmented in terms of purpose, which reveals a weakness in their use to develop human capital and support employability. This suggests the underutilisation of the learning and development function, which has been linked to the creation of strong cultures where motivation to perform is sustained by learning at individual, group and organisational level (Cook & Yanow, 1993; Schein, 2004).

The most significant factor hindering motivation was the manager/worker relationship. Workers attribute some of their lack of motivation to the little or no input they had regarding decisions about how work should be done. Passivity and conformity were mentioned as a result of the reinforced messages that purely by virtue of authority, “the boss is always right” and “things will be done their way”. These were considered to be demoralising that removed any agency from workers in relation to their jobs. Interestingly, this contrasts with past findings (e.g. Manso-Pinto et al., 1993) that suggest that Chilean managers value intrinsic job attributes. Findings in this study suggest that the relationship between managers and workers does not promote building human capacity through empowerment and ownership, which are ways in which an organisation’s cultural values can become part of quotidian organisational life.

An overall majority of the sample indicated that participation in decisions about work was restricted to managerial figures and workers perceived that managers did not trust them; thought they make the minimum effort unless pressured, and generally avoided work responsibilities. In their study of the impact of embeddedness on worker involvement and participation, Cox et al. (2006) found that greater breadth and depth of practices are associated with higher levels of organisational commitment and job satisfaction. Yet embeddedness assumes a high degree of autonomy rooted on HRM practices that promote trust and allocation of responsibility. Our findings indicate distorted ideas of loyalty and trust related to individuals instead of positions or

organisations. Similarly, HRM practices evidence misunderstood notions of the correlation between the line manager/worker relationship and effective organisational performance. Though the importance of good performance/results was highlighted, good performance was broadly construed and included personal loyalty to the line manager, behaving in a way that satisfied the line manager, and doing things the way the line manager wanted. This suggests that outcomes are regulated by organisational culture dynamics that are not necessarily consistent with HRM principles that promote high performance.

Similarly, manager/worker relationships were characterised by patterns of mutual distrust similar to those identified in historical accounts of the employment relationship in Chile (see Gomez, 2001). Accounts indicated that managers felt the need to persistently control workers and their activities because otherwise 'work does not get done'. This could be explained by pressures further up the organisational hierarchy, which may make managers face challenges associated with perceptions of workers' reliability; for example, whether they can provide the correct information a manager needs and deliver anticipated outcomes. However, by normalising controlling HRM practices, the distrustful nature of the relationship becomes an acceptable dominating feature of organisational culture and surveillance becomes central to managing human resources.

Nonetheless, some workers do resist, viewing in a critical light those who conform to organisational norms. Those who resist perceive conformists, those who in the eyes of managers are good workers, as "chupamedias"¹: those who renounce their dignity, choosing to become "suches"². These metaphors exemplify not only how the worker/manager relationship resembles that of patron/servant but also how workers identify the hidden hierarchies of power operating in the organisation. These tropes contest the idea of sharedness proposed by organisational culture literature (e.g. Schein, 2004) and instead present themselves as competing discourses where managers' 'heroes' are workers' 'traitors' and vice versa. In a similar tone, workers consider managers to be strict, paternalistic, indifferent and non-participative. Resulting HRM practices are in line with these traits as workers consider that managers 'only care about themselves'; are unable to provide constructive feedback, and focus on highlighting mistakes. For instance, one participant noted that "I'm never told if I'm doing OK but I always know when there's something wrong because the boss always wants to know who's guilty". Interestingly, the relationship between managers and workers is expressed ambivalently. Whilst there is acknowledgement of the negative traits previously referred to, workers also indicated that managers 'know best' and 'know what they need to do' with some participants noting that a good manager must be firm, protective, generous, righteous and impersonal.

In respect of the way in which this affects HRM practices, workers identify the HR function as being polarised. While supposedly there to support employees, HR area staff are seen as usually taking the side of managers and in many ways helping them treat workers like objects, humiliating them because, "they [HR] represent the company; the company pays their salaries, they are not going to side with any of us because they

¹ Chupamedias: A literal translation of the term would be 'sock-sucker'. The term is used to refer to a sycophant or fawning flatterer; a person who flatters or defers to others for self-serving reasons.

have to avoid problems for themselves”. This could be taken as a perception of the disparate role and image of HR and the underlying assumption that HRM is biased.

Intra-worker relationships reveal intriguing contrasts. On the one hand, many acknowledged that they feel supported by other workers in dealing with punishment, excessive requirements and injustice. More than a third of participants noted that they develop a supportive bond and an informal network with their colleagues through conversations concerning their concerns at work. The informality of these networks would suggest that this is a salient trait of organisational culture, which goes unchallenged by HRM practices, since there was no mention of officially established support networks. Of noteworthy importance was the ritual known as “pagar el piso”². This is significant initiation rite for new workers where at the end of their first month they are expected to invite colleagues out to lunch or to have a drink. This event is seen both as informal and compulsory; humour plays an important role in reinforcing the event as a moment of ‘initiation’; for instance, a participant stated that “they say it jokingly, but everybody does it and it’s like the mechoneo [freshers’ week] at university because in the end everyone goes through the same”. Both its informal yet perceived compulsory nature makes this practice central to acculturation (Morgan, 2006) and its attributed importance shows how individuals cannot escape organisational culture..

The most salient point from the previous discussion is that workers’ narratives shift from discourses of distance between themselves and organisations to discourses of emotional proximity and commonalities. Yet there are issues which overrule HRM practices that many feel they need to be wary of, such as ‘chaqueteo’³ and others who ‘serruchar el piso’⁴. Powerful networks sustain alliances that perpetuate these phenomena, strengthening loyalty bonds and creating divisions between groups, making ‘Wesrtern’ notions of HRM practices difficult to develop. As has been emphasised, hierarchies play a crucial importance in organisational dynamics. Findings highlighted that whilst more than two thirds of the sample perceive the manager/worker relationship to be respectful, they did not feel free to express themselves. There is a culture of fear, where only certain topics are publicly addressed by workers concerned with the possible consequences of speaking openly in a critical way. This may explain the predominance of informal communication, where rumours are an important means of communication and generally things are informally known before they are officially communicated (Rodriguez, 1981). In relation to the way HR offices manage information and communication, the strength of informal networks seem to limit their capacity to be the key source of information. A participant working in an HR role stated that “if there’s a rumour about something, when you don’t deny it, people know it is possible that it’s true, you’re not telling them but they get it, you didn’t say anything but in a way you helped them the best you could, because later it could happen to you”.

Conclusion

Based on the findings reported, it could be argued that in Chile, the impact of organisational culture traverses micro (HRM as performed by line managers) and meso

² Pagar el piso is the practice of a new hire to invite co-coworkers to a round of drinks.

³ Chaqueteo is the practice of putting others down with the aim of making one look better.

⁴ Serruchar el piso refers to the practice of boycotting someone with the aim of securing for oneself something the other has or receives.

level (HRM as performed by HR staff) HRM practices. The relationship between managers and workers is particularly problematical. Historical and socially determined patterns continue to define dynamics between managers and workers, where status differences and authority resemble feudal and paternalistic relationships from the culture of the hacienda. These findings are in line with others (cf. Rodriguez & Gomez, 2009), who also suggest that leadership styles in Chilean organisations are characterised by strong authoritarianism: interpersonal relations are functional and marked by a strong sense of hierarchy. Moreover, strong hierarchical, vertical, structures are complemented by informal horizontal hierarchies that are validated by societal culture based on understandings of class and socio-economic status. In that respect, figures of authority are usually associated with higher personal worth, which in turn reflects the value of individuals as social commodities. This translates into relationships that are established based on societal dynamics that prioritise loyalty within systems of kinship and friendship, and where acceptance by managers is synonymous with acceptance by the organisation, and equated to secure employment. Mechanisms and processes of transmission, perpetuation, affirmation and learning of organisational culture are subsumed to societal traits and HRM practices are articulated within these. Interestingly, there is no clear evidence here of a shift toward Anglo Saxon values, which is now centred on high performance work systems. The latter, of course, anticipates that involvement can be achieved through practices that promote participation, empowerment, and worker autonomy (Boselie and Dietz, 2003).

By contrast, findings for this study suggest that HRM practices are based on the use of organisational culture as a regulatory device reliant on dynamics of worker monitoring and control. The institutionalisation of roles aims to discipline social bodies (Townley, 1993) and control is seen as the underlying essence of the employment relationship. In addition, control is not linked to results or efficiency, but associated with regulating personal traits and behavioural responses (i.e., loyalty, favours and group affiliation) that perpetuate the social status quo. As a result, HRM is determined by a combination of the underlying assumptions, rhetoric and discursive practices that give meaning to organisational life, and societal dynamics that establish hierarchies of social order. For example, strong hierarchical structures and authority-driven processes coexist with compadrazgo networks that can factually override authority. In terms of the role of HR, there is strong evidence of workers' perceptions that its role is passive and lacks credibility. Lack of credibility is linked to the powerful role of informal networks, such as pitutos, and the inability of HR to develop strategies to deal with them. These dynamics create the regulatory framework for everyday working practices, where manager/worker dynamics are conflictual with managers seemingly exercising unlimited power and workers though unhappy, being generally submissive.

In summary, three main conclusions can be drawn from this research. First, the boundaries between the 'social' and 'work' are indistinct as social expectations (especially of status) are central in the articulation and sensemaking of work and work identities. Second, organisational culture overrules HRM policies and practices. Third, there is an ideological gap between managers and workers, which is sustained by patterns defined by social culture that reach organisational level and are perpetuated by both organisational structures and HRM practices. Some similarities can be identified between the characteristics highlighted by this research and those highlighted by research in other countries in the region. For example, findings from Sully de Luqu &

Arbaiza's (2005) research on HRM in Peru, highlighted the importance of connections between progression in organisations and the clear definition of chain of command. Overall, the impact of social networks and relationships on HRM dynamics makes it imperative to perhaps abandon HRM principles and focus on the development of mechanisms that democratise workplaces and break down with the historical roots of unequal power relations.

Finally, whilst the findings of this research raise important issues pertaining to a symbiotic relationship between organisations, and wider social, the culture and HRM practices, they also raise issues about the impact of societal dynamics on organisational culture hence suggesting the limited role of HRM practices in the perpetuation of desirable work cultures. More research is needed in both Chilean organisations and the Latin American region to be able to establish national and regional links that contribute to a wider debate on the relationship between HRM and organisational culture, map out country-relevant elements and dynamics, and move away from generalised regional characterisations.

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¹ This system involves the exchange of favours that is motivated and performed as part of an ideology of friendship which aims to strengthen bonds of loyalty (Lomnitz and Melnick, 1991, Barozet, 2006).

² A *suche* is described by the Academia Chilena de la Lengua [Chilean Academy of Language] as an employee located at the lowest end of the organisational hierarchy. Nonetheless, the word is used in a derogatory manner to suggest that an individual lends her/himself to becoming someone else's servant or helper.