

CHILEAN ORGANISATIONAL CULTURE.

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by

CARLOS FERNANDO GOMEZ DIAZ

To the memory of my parents

Elsa Olivia and Luis Diaz

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To the memory of my parents,

Elsa Oliva and Luis David.

Abstract

Chilean Organisational Culture

This thesis addresses organisational culture and its relationship with the results, processes and structures of the organisations in Chile

The results of the investigation conducted in forty-six Chilean organisations clearly show that the consistency between the organisational and the characteristics that are proper to the Chilean character directly determine the success of the Chilean organisations rather than the administrative techniques applied. .

Such consistency generates an organisational culture which the author designates as pessimistic, characterised by a configuration of traits which include, among other, an authoritarian organisational leadership style, a system of relationships at work based on the organisations' power structures, the presence of a centralised, reactive, risk-averse and conservative decisional system and hierarchic and highly normative organisational design and structure.

An overview of the history of both the Chilean trade union movement and the entrepreneurial class, devoting great attention to the discussion of the concept of culture and its application to organisations, showing in all its amplitude the diversity and complexity of the issue studied, both from the theoretical and methodological standpoint. Both aspects are the necessary frame of reference for the analysis which is made of the Chilean organisational culture.

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Introduction

This thesis presents a set of plausible explanations regarding organisational culture and its relationship with the results, processes and structures of organisations in Chile.

The investigation conducted leads us to hold that, in terms of the organisational results in mid and short term, the Chilean organisations which are more adaptive and successful would be those whose cultural characteristics are more coherent with national culture, and their processes and internal structure are more consistent with national culture. In general, empirical evidence tends to confirm that the harmony between the internal and external characteristics of the organisation are a necessary condition, though not sufficient to ensure an efficient management of the organisation.

Culture is a generalisation. All the infinite individual behaviours which take place within a human community seem, to integrate themselves, all of a sudden, into what, for lack of a better designation, we could call "axis of sense". Culture exists (it is our Archimedian point of support), and beyond the many different theoretical interpretations and discussions regarding the concept, it is increasingly more attractive for the social scientists, and for those who attempt to understand the complex operation of formal organisations in contemporary society.

In order to attain the proposed statements it was necessary to characterise the main traits of Chilean culture on the basis of the works and contributions made by those who study the subject. We also review the recent history of trade union movements and the historical behaviour of the entrepreneurial sector so as to contextualise the broader sociocultural setting which the research embraces. Both issues are addressed extensively in chapter one of the thesis.

In a very compact synthesis, Chilean culture is conceived as hinging on traits such as authoritarianism, conservatism, fatalism, the negation of one's own identity and a social construction based on social institutions such as the "compadrazgo". The history of the Chilean trade union movement is understood as being dependent on the political power and the structure of social hierarchies in Chilean society. The activity of the entrepreneurial class in Chile as a body is subordinated to the orientations of, and the support from the State apparatus, with a strong abidance and respect for legality and institutional order. No analysis is made of the moments of institutional crisis which the Chilean society has undergone, particularly the most recent one between 1970 and 1973, as it goes beyond the limits of this work.

The in-depth review, in chapter two, of the concept of organisational culture from its origins in Anthropology up to its current use in organisational analysis is relevant to develop a sound conceptual frame of reference in this area of social sciences which has deserved a wide, diversified, though not always univocal treatment in its definition.

In this sense, the explanation in chapter three of the different aspects and perspectives which the cultural phenomenon takes up, lead us to consider its application in organisational reality. The criteria for analysis generated from the concept of organisational culture and its potential to explain the operation of these by admitting the presence of beliefs and basic assumptions regarding the processes, structures, resources and people in the organisation.

Chapter four offers a critical view regarding the main methodologies and techniques used in the study of organisational culture and a specific consideration in relation to the research on the subject in Chile prior to this work.

The results of the investigation carried out in more than forty Chilean organisations between the years 1991 and 1994, which are detailed in

chapter five, are described, by initially providing the identification characteristics of the sample of organisations studied and, subsequently, by providing a description of their culture in accordance to the classification model proposed in the work. (see Appendix 1 a and b)

The results obtained allowed the definition of three categories of organisations from the cultural standpoint: pessimistic, optimistic and pragmatic organisations. The characteristics which define each category and its contents are discussed extensively. Beyond the differences which are perceived between the cultural paradigms, it is possible to observe the existence of shared meanings in the Chilean firm. This situation brings about a phenomenon which, upon a detailed analysis, allows us to generate relevant conclusions within the context of the central topic of the thesis. Within the cultural paradigms defined, it is possible to specify the connections between the meanings, in relation to variables such as: the relationships organisation/setting, criteria of reality, temporal orientation, human nature, interpersonal relationships and what the organisation rewards in the behaviour of its members.

The organisations studied are described in terms of the identification variables defined: type of ownership, corporate structure, origin of the capital, economic sector which they belong to, and completing their identification with other relevant indicators.

The study, analysis and conclusions which have been drawn from the above data puts us in closer contact with the core objective of the thesis, in terms of relating this information with the management results which these organisations obtain. This information was then crossed with the identification variables of the organisations studied (ownership, corporate structure, origin of capital, etc.) leads to the last type of analysis carried out: the relationship between the cultural types defined

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in the research and the administrative practices (management of human resources, marketing resources and financial resources management)

In this segment of the thesis the relevant differences observed in the management results across the three cultural types are shown, by correlating these with specific results obtained by the management of the organisation. The results of this analysis point to a predominance of relative improvements in pessimistic organisations. This phenomenon seems to highlight the relationship between the characteristics of Chilean culture, characterised by a strong sense of authoritarianism and submission, and the type of organisations which are successful in Chile, even in the presence of a generalised moment of economic boom. The strong influence of national culture as a factor (despite the political ups and downs and the trends in Management techniques) raise new issues and challenges for social and management sciences.

The conclusions submitted at the end of the thesis make it possible to raise new questions in a field of knowledge which is a source of overwhelming concern for social scientists, politicians, and professional Managers. In point of fact, it is possible, on the basis of the conclusions, to discuss the aseptic and technical character which Management would like to ascribe to its proposals, as well as stating clearer criteria regarding the use of the knowledge in the field of Administration in different cultural contexts.

Chapter One:

Culture, Entrepreneurs And Workers.

We offer an overview of the culture and behaviour of entrepreneurs and organised workers in Chile. A thorough, though brief, description of the historical behaviour of the entrepreneurial class and the trade union movement enables us to show how both have been modelled by national culture.

Over the last one hundred years, Chilean entrepreneurs and workers have been influenced by two fundamental streams of thought. On the one hand, the deep changes to be perceived in the political, social and economic paradigm, which stem from both the thesis put forth by Karl Marx in *The Capital* as well as the *Manifesto of the Communist Party*, and which express themselves in the movements of workers and peasants in Chile, from their inception at the beginning of this century.

The combinations of these two phenomena have created a constant tension between the entrepreneurial and working classes, originating to some extent an antagonism of interests, expectations and objectives, which over the years have entailed deeper differences, rather than a sustained effort to come up with points of consensus which should involve concerted action by both groups in terms of overcoming their differences and becoming involved in joint undertakings. Differences which in our opinion are deeply built into a model to interpret reality which is common to both groups, as stated by Pablo Hunneus (1987: 14) "... both ways of thinking (that of entrepreneurs and workers) are a part of one single whole which is peculiar to our reality"

Over the recent decades Chilean society has undergone deep and costly changes in all domains of collective life. Within the framework of socio-economic patterning, the importance of organised private initiative to

solve the economic problem has been excessively overstated. The private entrepreneurial sector has been considered as the dynamic agent of capitalistic economic development. However, it is also admitted that the scope of entrepreneurial action is restricted by both macroeconomic conditions and guidelines originating from the State (Muñoz, 1986b: 25-26).

Private enterprises have been given all the responsibility of coming up with the answers best suited to meet human needs, and hence the role of the State has been restricted to a regulatory function and subsidiary role of lesser relative importance. The country's legal and economic system has been restructured in order to create a framework that should act as a facilitator for private initiative and creativity, on the assumption that they are the building blocks of a new driving force for economic development.

For some, the influence of the private sector on economic development depends on the economic incentives that operate in terms of prices and the returns on investments with the implicit assumption of (i) a psychological frame of mind favourable to capital accumulation, (ii) the absence of problems on the demand side, and (iii) the recognition and legitimisation of entrepreneurial agents as a socially acceptable class.

For others, the dynamic forces of development are to be found in the technical progress that creates opportunities for entrepreneurial innovative. The implicit assumptions are (i) the existence of entrepreneurs with a creative and routine-averse personality, ready and willing to introduce changes in the traditional forms of production, (ii) a smooth-operating financial system that supports the real processes of investment, (iii) a competitive environment that allows efficient entrepreneurs to be successful and does away with those who are inefficient, thereby releasing productive resources to the benefit of the

former, and (iv) a political and social environment that legitimates and accords social recognition to the entrepreneurial function.

There are, however, still others who, to the contrary, believe that conditions can be created by means of which the discretionary intervention of the State in terms of originating an effective demand such that the entrepreneurial class may accomplish its traditional investment functions. The State, through the management of the demand, is in a position to ensure employment and a high level of private investment. In Chile, there seems to exist a consensus that in order to attain economic development, a meaningful increase in productivity and competitiveness of national production is called for in the arena of international markets. Some of the characteristics that are present in the recently successful industrialised countries (e.g., South Korea, Singapore, etc.) are high levels of spending in Research and Development, generation and production of goods intensive in technology, displacement of the production of goods to the frontiers of technology¹. In relation to the State's role in these industrialised countries, policies of State intervention, which are very straightforward, discretionary, selective and geared to benefiting specific sectors and leading firms have been observed. (Muñoz: 1990:6)

In this chapter, we will now address some aspects which illustrate these phenomena and provide general background information leading to a better understanding of the phenomenon described.

1. General overview of Chilean culture.

The explanations which account for the behaviour of entrepreneurs and workers in Chile have always tended to emphasise the political and economic aspects at stake, leaving the cultural aspect completely aside. If we consider that the interrelationships between entrepreneurs and

¹Fritsch and Franco (1989) cited by Muñoz (1990).

workers, at least in terms of every day aspects within the firm, are evidenced in the manner that the firm is managed, which reflects the relationship existing between both groups. It is a relationship which in its macrosocial expression is channelled through political action.

The models of organisation of management define universal practices of a "proven" effectiveness, and where inefficiency and efficiency are a consequence of the greater distance which the observable behaviours have with respect to these models. These assumptions seem to be doubtful.

The Chinese example can be useful to illustrate this idea. The Chinese cultural tradition is developed on the basis of Confucius' thinking, the central concept of which is the hierarchy of the relationships between people and groups of people. During Mao Tse Tung's government a sense of egalitarianism which did away with hierarchies prevailed, in open opposition to the cultural tradition which stems from Confucius'. With the passage of time, it can be seen how the practices based on Confucius are followed once again as the most efficient means to achieve efficiency in the firms. (Kao, Singh and Sek-Kong: 1994)

The lesser or greater efficiency, the ways in which people relate and their consequences, as well as the degrees of satisfaction within the firm may be analysed and explained from a cultural perspective. It is likely that the efficiency indices are not due to matters alien to the models applied, and that to the contrary those models, by virtue of the cultural assumptions on which they are based, are not applicable to Chilean cultural reality.

Chilean culture is a part of the Latin American cultural tradition. Its origin and history are linked to the Spanish tradition, which is the source of its broader foundation: the language. It must be understood that it is a variant of the same way to understand the world, which is characterised by a tendency to fatalism and conservatism, some denial

their own self identity, and a social construction based on social institutions such as, for instance, the "compadre system".

Several authors, ever since the day that Santiago was founded, have attempted to describe our culture as a country, as well as the traits which define our national character. Even in the works of Padre de las Casas, up to those of Pablo Hunneus, we can observe some traits of our culture, which are relevant to be considered. History shows that our cultural heritage is characterised, among other things, by some contempt for trade and manual works. This heritage has been reinforced by the educational ideas of the great lay pedagogues of the end of the XXth century and beginnings of the XXth century, who held that all especial instruction, aimed at profit, tended in itself to materialise the soul. Thus, it was concluded that, in the spirit of which had been the object of commercial or industrial training, there was no other concern but to obtain wealth, leading invariably to an atrophy of the most noble and delicate feelings, to the point that it is beyond their understanding why the philanthropist and the politician are willing to devote their activity to non-productive endeavours.

The analysis of the great educational issues at the time evidences that there were antagonistic positions regarding the organisation of technical education, so necessary for a country's growth and that it was oriented to those who had less intellectual possibilities. Ultimately, to be enrolled in a technical school involved belonging to the middle class unworthy of becoming a part of the national intelligentsia, to the "educated" leading class.

In general, when it comes to traditions, Chileans are trapped by a contradiction which involves on the one hand to deny their mestizo origin - half Indian and half Spanish - and showing a preference for the Anglo-Saxon and European way of life and traditions. They live under the pretence that they are something which they are not, and which

leads to a permanent negation of their own identity, pretending to be somebody else, speaking always at two levels, with twofold messages, reflecting double standards and double intentions. Therefore, this leads to generate great distrust as regards the abilities which are specific to the country and people, to uncertainties which unfold in a quest for certainties, of absolute values, of establishing laws and regulations in all types of domains, which make it possible to lessen the anxiety of the unexpected. When the day is over, there remains a strong conservatism which is up against any change and innovation.

A second trait of Chileans is related to the fatalism that guides their thoughts and actions. Chileans perceive themselves and human nature as subordinated to a natural order, where man is only a part of nature and not necessarily the most important part of it. There is a certain fate against which little if anything can be done. The persistent natural catastrophes - as for instance, the earthquakes - are a self-evident proof of how futile the efforts of human beings can be to attempt any form of control over nature. In the face of this situation, Chileans strive to live in the present, keeping history in mind as a permanent referent of the impossibility and uselessness of projecting themselves into a future which can not be controlled, that is unknown, and that can not be anticipated. The frame of reference for their decisions is the short-term, involving low risk, scanty savings and hardly any investment.

As an outcome of the latter, reality in its different dimensions is unstable, nothing that is observed in it will last for a long time, because, in all likelihood, something will crop up to destroy everything at any unexpected moment. The attempts to bring about changes are regarded as an attempt against that which is desired the most, security and stability. Within this context, laws and written norms become mechanisms which lessen uncertainty and the context where it is possible to build every day life.

One characteristic, which may be traced back to Spain, is the permanent quest of personal contacts and influence and protection networks based on friendship, and whose most clear-cut-cut institutional referent is the "compadre system", which is a sort of next-of-kin relationship based on a social fiction, which in its origin can be traced back to the Christian ceremony of the baptism and the god-parents, but which formally goes beyond its actual limits. Primary relationships such as the extended family, the "compadre system", and friendship are the foundations of most of social relationships established between and among individuals, serving as a support to all the social fabric. This includes the work settings, the political arena, the economic domain, etc. Individuals under these conditions will be regarded as whole-rounded persons which are entitled to a personalised treatment and great consideration in terms of the family or friendship bond.

According to Pablo Hunneus the most noteworthy traits in the character of a Chilean are a clear "... propensity to consume without the corresponding propensity to produce. In the advanced countries the consumption pattern matches the production pattern. Germans not only know how to enjoy their Mercedes Benz, they also know how to make them". A "...war-faring mentality. Sporadic activities which call for a truly heroic spirit [.....] are tackled aggressively and with spectacular might, not for the sake of the payment, but for the sake of the heroic character which such task entails". A "... sociable disposition which is evidence in a strong inclination to welcome and take care of the stranger and/or foreigner with special solicitude and warmth". Where "... the native and the European mentality do not coexist independently, disregarding each other. [...] the native mentality has tended to rule over politics and the civil service, while the European one has tended to govern industry, the private sector, which "... is manifested in the corrosive war waged between the State and the private firm, in the existence of irreconcilable public and private sectors and in the fact that

when one faction manages to control the government, at an intermediate level the bureaucrat who works for the government still sees personal initiative as a natural enemy, and resorts to forms that will undermine it as far as possible. It should be interpreted that "... both mentalities are a part of one single whole which is peculiar to our reality". (Hunneus: 1979: 12)

The historian Ricardo Krebs, posits that "in the process of shaping the Chilean character some geographic factors have exerted an influence, the insular nature of a country located at the end of the world; an early "mestizaje" process which gave Chilean society a considerable ethnic heterogeneity; the development of leaders able to combine the sense of hierarchy and a sense of leadership with the will to serve; the organisation of a centralised State under which there took place a process of national integration; a gradual process of democratisation favoured by developing personal contacts and relationships, certain spontaneous forms of living together and a strong national conscience. [...] As constant characteristics we can observe the desire for order, a cult for the law, the impersonal sense of authority, the that life should be taken very seriously, combined with a sense of humour and a marked sense of ridicule, the receptivity to assimilate the stimuli from other countries with a strong sense of national pride, serenity in the face of adversity and the firm decision to assert themselves in the face of history." Krebs: 1980:3)

On the other hand, the sociologist Hernán Godoy (1980: 112 - 224), who establishes a series of facts, which most definitely are useful to characterise Chilean culture writes "Chilean culture is understood as a variant of the Ibero-American culture, which displays differential traits and nuances, though it does not entail ascribing it any originality, and much less any autonomy.". It is the result of the "the contributions of the aboriginal culture which subsist to date. ... [of] the Spanish culture which has deeply configured the substance of national being [...of the

influence of] French positivism, the Italian opera, the German pedagogy, as well as the new stimuli coming from the rest of America." And he adds "that the social structures of the central valley (from La Serena to Concepción) are built around the "hacienda". In the "hacienda"(large land-holding) the power and authority is exerted by the "hacendado", characterised by a strong authoritarianism of a paternalistic type, where the value of social relationships is based on the certainty, on the part of the subordinates, of relying on protection at times of crisis and in the belief in the unlimited power of the boss". "The central figure which gives unity and cohesion to this geographic and social entity (the "hacienda"), is the "hacendado", father and master, paternal and authoritarian. In his character are condensed a vision of world and life in which are fused (...) the will to dominate and the magnanimity of the lord and master." " The "hacienda" is his kingdom, those who dwell on it its sons and servants, to whom he gives security and trust". In the peasant culture of the central valley "time is not conceptualised in the linear or progressive manner of the illustration, which computes its chronological and historical duration not as something which keeps the sacred rhythm of nature and life, but is more cyclical than linear, more reversible than unrecoverable, hence their lack of concern as regards time"

He then adds that in 1811 the government ordered the skippers of ships to transport the men of science who wanted to come to Chile free of charge. "All sea captains and skippers of any vessel whose destination is the kingdom are asked to convey without any charge and further cost to them any scientist, especially mathematicians, chemists, botanists and artisans, so that they may encourage the development of the country's sciences, agriculture and industry. They are entreated to so, in the certainty that, in addition to all costs being at the expense of the national budget, they will be treated as benefactors of the Father Land in recognition for their assistance in helping to propagate all useful

knowledge, required to develop industry and to make trade thrive in these settlements". From the date of their independence, Chileans show "an avidity [...] for] the expedient introduction in the country of any new development created in any point of the world" and quoting Andrés Bello, he records "the spirit of order which is a trait of the national character". Finally, he points out that, between 1870 and 1910, "the fusion of the old aristocracy deeply rooted in the land and the plutocratic groups of Nordic descent which had made their fortunes in export activities, banking, mining and industry is consolidated. The old Basque and Castilian families belonging to the élite of the country - Errazuriz, Larrain, Irarrazabal, Urmeneta, Balmaceda, Tocornal, Bulnes, Ossa, etc.- are now linked by family ties with the group which descended from northern European immigrants - such as the Edwards, Subercaseaux, Cousiño, Bunster, Lyon, Ross, etc. - who arrived in Chile after the independence and settled originally in the north and in Valparaíso. The new group contributes to energise the national economy, develop mining activities, set up factories, manage financial institutions and foment foreign trade.

From Godoy's writings, there emerges a pattern of the Chilean character and culture which is very much related to the geographic politic and social context within which the discovery and conquest of the national territory takes place, as well as the personal and idiosyncratic traits and characteristics of those responsible for such a process.

Joaquín Edwards Bello (1983: 4 - 36) establishes some traits which make it possible to draw a profile of Chilean culture from a different and complementary angle, which due to its eloquence needs no further explanation. "The dweller of Santiago no longer has the face of a bandit and the spirit of a mugger". "Chile will be Chile the moment one of its sons learns to honour his promises and stops considering the cunning of the "criollo" a virtue, speaking well of those who swindle others" "In every Chilean who respects himself there sleeps a Consul. The world

becomes small for them.". "There is something that can not be touched and that is the healthiest thing about the country: the firemen and the boy-scouts". "We are serious in nature, and more than sadness, there is an element of social". "The importunate and the chatterbox are a legion and in many aspects they resemble the beggars" "Ask, ask, ask, it is the very essence of Chilean life. Nobody will get what he deserves, nor receive what he earned, if he does not ask for it, if he does not make an additional effort to get or if he does not, as Chilean people say, 'pull some strings to get it'" "Not a single President was free of the national fate inherent to our origin: the spirit of destruction. This spirit manifest itself unremittingly in (...) the permanent and massive attack to anything that is a success". "Chilean workers are good builders, but are even better at demolishing". "An auction is the national holiday, because everything has gone to pieces and there is change. It is also a valve which relieves curiosity and envy" "If a person sees somebody else that prospers (...) he becomes envious. Why ? Why not ? People have no right to be successful. Therefore, a happy man in Chile does well if he downplays his achievements in order not to stir feelings of envy. What customs!!." "To downplay ones accomplishments involves belittling oneself in a special national way, coming from that other phenomenon which on other occasions we called 'a systematic cult of failure'". "Bend your back if you can, let your hair go grey, your corns are important. We are in Chile, friend, and to belittle oneself is the most important national industry". "Some Santiago-dwellers wake up thinking of their attainment for the day". "There is nothing more difficult than to keep Chileans happy". "The 'allegado' is a national institution". "The obstructionism which deserves the name of 'santiaguineria' consists in a cult of what is small, of what is mediocre, of what is insignificant" "Chile is a country of eight million envious people. Here, success is not forgiven, and the joy of somebody else's failure is extraordinary". "This attitude is very Chilean: to be an on-looker, not to do anything and to make life difficult for those who try to build or create something. In this

way, those who enjoy greater peace of mind are those who are useless". "Here the words of praise are for the dead. People greatly enjoy speaking well of those who are dead. They no longer are a danger to anybody".

From the thoughts of Edwards Bello it is concluded that the traits of Chilean culture are neatly defined, as they express themselves in clear and definite ways of behaving, which can be easily recognised in the everyday life of the people in Chile.

Finally, if we want to describe some traits which traditionally have been identified as specific to Chilean culture by scholars and travellers, it can be briefly said that the Chilean admire and greatly value anything that is foreign, particularly what comes from the Anglo-Saxon world, where they look for models of behaviour that be imitated or may substitute or become their own projects; it is an hospitable country; people feel unable, under logical conditions, to cope with new situations; people give way to fatalism, a sense of anticipated failure surrounds them, they are pessimistic, lazy; people have strong inhibitions, repressing the expression of emotions and feelings, resorting to jokes, more often than not with a double meaning, to conceal what they either feel or think; Chileans are afraid of ridicule, and therefore they avoid new situations or situations which they can not control; they are not very assertive, which leads to indecision in acting, allowing others to make the decisions, or allowing the law or the procedures to decide; they lack projects or mid or long term horizons, living in the present. They are afraid of what is new.

It can also be said that they are reticent to changes, that they are improvident, always improvising, lacking constancy in their actions, permanently changing their plans and activities, to the point that they are spendthrifts.

Chileans reject any form of criticism, due to the fact that they can not separate the person from his or her actions, people are what they do, and therefore to levy any criticism against a person's work is to criticise the person. Consequently, Chileans prefer to work on an individual basis and in a setting which involves low control and no, or hardly any, evaluation of the work done. Chileans are not demanding in terms of themselves or others, they do not complain about the quality of products or services. This may reflect a sense of insecurity as to their own worth, which is correlated with the fact that their self-esteem is low, invariably the others are better, what others have or do has greater worth, etc. Chileans are permanently procrastinating.

Chileans tend to form groups, they have a gregarious spirit. They seek truth through social consensus. They have a strong sense of belonging which is expressed in a strong need for social affiliation and recognition. They seek success through the "compadre system", social contacts and permanence (tenure and loyalty to the groups which they belong to).

Chileans are afraid to excel or stand out in any manner, they never want to be among the first not the last, in the middle they feel safe. They are jealous of others, like to disqualify them, and easily give way to envy. They always want to be in harmony with their setting, to compromise and conciliate everything.

They are extremely "machistas" in their public language, at home they submit to the will of their wife and children. They stick to traditions,, showing a great respect for laws, the norms and social hierarchies. Extremely moralistic, Chileans want and seek to live a happy and easy life.

2. The historical behaviour of the Chilean Entrepreneurial Sector.

The vision that history renders (Vial:1986) as to what the Chilean entrepreneurial class was from the last Century until the crisis of 1930

differs to a great extent from the ideal type of entrepreneur that fulfilled a key role in the development of industrialised economies. The Weberian entrepreneurs, who work in an incessant manner to increase their wealth, motivated not by the pleasure of consumption, but by increasing their accomplishments in this life, were the model for the European entrepreneurs who brought about the development of capitalism, a model that the Chilean entrepreneur did not have in the past and does not have at present, either due to the negative social valuation of profit, to the "*mentality of a pirquinero*"² that seeks to make a quick fortune through a lucky strike, rather than by means of methodical and systematic toil (Hunneus:1987, 37).

The historical image does not in any way come close to the Shumpeterian entrepreneur, whose function is defined in terms of an innovative pursuit. The Chilean entrepreneur does not belong to an industrial tradition and he does not industrialise an invention or an innovation, but rather he is an adventure-like individual within a capitalistic context and subsequently protected by the State during the industrialisation phase. In Chile, no industrial bourgeoisie was patterned following the European style, but to the contrary, the Chilean entrepreneurs never rend their social ties with the old land-holding and mining oligarchy. They sought to be as close as they possibly could to power, easy profits and a consumerist style of life. (Montero:1992, 94 - 97)

The industrial class, according to Muñoz (1990), began to develop in the last decades of the XIXth century, at a time when an industrialisation process and a diversification of the productive structure starts to arise, basing itself more on the economic policies and on the current international situations, that on the favourable or unfavourable attitudes of the social groups. He clearly points out that a series of

² A "pirquinero" is a miner who wants to make a lucky strike overnight.

factors were determinant in the development of the Chilean industrial class. First, the crisis of the decade of the seventies in the past century generates pressures due to a greater tariff protection; later, the War of the Pacific and the wealth generated from nitrate strengthens the State from an economic standpoint and hence greatly enhances public investment; the multiplying effects of the latter and the setting up of an intermediate sector which arose as an outcome of the building of the Railroad, a network of roads, ports and the increasing demand for capital goods by the export-oriented sectors; the diversification of the demand for consumption generated by an increase in income, demographic growth and urbanisation. Furthermore, there were immigrations of technicians and entrepreneurs with commercial know-how who contributed to modernise the administrative capability of Chilean entrepreneurs.

Following the crisis of the year 1930, the State became concerned with industrialisation by creating the Chilean Economic Development Agency (Corporación de Fomento de la Producción—CORFO). Technocrats, guided by a spirit of public action and influenced by a developmental ideology contributed to no small degree. The State favoured the interests of the private sector by means of subsidised credits, the transfer of State-owned assets in mixed companies to the private sector at more than convenient prices, within a frame of tariff protection and the creation of public infrastructure. The outcome of this was a diversification of the industrial structure and the development of a new entrepreneurial class, more dynamic and modern-oriented, though dependent on the State and the industrial policies.

Subsequently, during the period immediately after the Second World War, the political parties begin to exert a greater influence on the trade union movement, and owing to the nature of the policies implemented, a greater tension originates in the relationships between entrepreneurs and workers. On account of this, the entrepreneurial sector changes its

strategy in its relationships with the State, adopting an attitude characterised by a spirit of greater confrontation in order to protect its interests and due to the need to muster a greater discipline in the labour force and to bring about a greater efficiency in the economic policy. A direct effect of this was a fall in investment, not only private, but also public. The next fifteen years were characterised by an intensification of the policy orientations of the entrepreneurial sector, with an interlude of a few years in which more liberal approaches were adopted (the period of the Klein-Sacks mission, in the first half of the Alessandri administration). The confrontational climate became more acute with the structural reforms that reached their peak in the period from 1970 to 1973.

The military intervention—which took place in 1973, and modified the orientation of the State in what respects its relationship with the private sector (Muñoz:1989) -- sought to convert the private sector into the wheels of development and hence limited the action of the State in keeping with the so-called subsidiary principle (or “hands-off” policy). The first stage of this process ended by suffocating those which it was intended to benefit, reaching a generalised situation of indebtedness, both internal and external, that leaves the entrepreneurial sector in a situation of great vulnerability. During the crisis of the years 1982 and 1983, the State had to financially bail out and subsidise the private sector in the face of the latter's virtual default of payment of its financial obligations. During this period the entrepreneurial sector experienced a clear improvement in terms not only of its profitability and lower risks in terms of capital, but also of its competitiveness and efficiency in the operation of the markets. However, simultaneously to this, the private sector had to withstand the burden of a strong indebtedness. (Muñoz: 1989)

Economic policies applied between 1973 and 1992.

In Chile, at least during the last two decades, a more neo-liberal model has been applied and which has been characterised by a strong emphasis on the market, minimal enforcement of regulations and the State intervention geared to macroeconomic and trade activities; only with the government of democratic transition some emphasis has been placed on regulations that point to some very specific aspects: environment, health, public safety, among the most important. The basic general characteristics of the economic policies applied during the second stage of the military regime, after the approval of the new Constitution, show a clear continuity in terms of vindicating traditional capitalism, that was characteristic of this regime from its beginnings (Muñoz:1991, and French Davis:1989, page 195).

The chief objectives of the policies implemented by the military government were:

- a) to ensure a high and stable rate of growth, which according to the military government had been seriously threatened in the preceding periods, by a combination of erroneous strategies (based on imports substitution, that is, the ISI stage), with unsuitable instruments (tariffs, prohibitions, price controls and exchange rate controls, etc.);
- b) to eradicate extreme poverty and to achieve full employment through highly productive activities.
- c) to achieve stability in both prices and economic policy.
- d) to achieve an economic decentralisation necessary for attaining a political decentralisation and in setting the foundations for an efficient democratic organisation (Hachette and Lüders:1991,14 -16).

The basic assumptions on which it was based were: the existence of competitive factor markets, presence of homogeneous productive

factors, perfect concurrence in the substitution between capital and labour and the absence of institutional rigidities (Muñoz:1991, 13 - 14). The means whereby these objectives would be attained were defined as:

- a) Restoration of the market as key instrument in the decision-making process related to the economy;
- b) Restoration of the private sector as the primary agent for development, implying not only an in-depth review of the responsibilities of the public sector, but also a reduction of the size of this sector, as well as a reduction of its participation in economic activities. On these grounds, the privatisation of State-owned enterprises was necessary.
- c) Greater liberalisation of the economy to the external markets.
- d) Non-discriminatory treatment of all productive sectors in order to improve the quality of resource allocations.
- e) The development of an efficient financial market.
- f) The use of general economic instruments, such as, for instance, interest rates, exchange rates and money supply.

As a part of a deep set of reforms, the privatisation of the State-owned enterprises was one of the instruments resorted to in order to decentralise and evenly distribute economic power in the country. The primary objective of these privatisations was to finance the public deficit, that is to say, to maximise short-term revenues by tying them up to an improvement of the efficiency of the enterprises. Due to the acute recession and the financial crisis (from 1981 to 1983) many of these enterprises once again came to be under State control.

The importance of the State-owned enterprises when the privatisation process began, during its first round in the year 1974, was equivalent to 39 percent of Gross Domestic Product. By the time that the first 500 enterprises were turned over to the private sector, the participation of State-owned enterprises went down to 16 percent of Gross Domestic Product. Over the period spanning from 1974 to 1979, the ownership of non-traditional State-owned enterprises (firms that had been either intervened or had been acquired by the State as a result of a purchase or a bankruptcy, but with the exclusion of the enterprises that had been created through a Bill of Law or had been obtained through a nationalisation process) was transferred to the private sector.

During the period going from 1985 to 1989, there was a second privatisation round and this time the objectives were:

- a) The normalisation of productive and financial institutions;
- b) The generation of resources needed for the payment of the public debt and to defray the investment required in public services and economic infrastructure;
- c) The optimisation of State-owned enterprises;
- d) The increase of the number of instruments available, especially for the Pension Funds and the strengthening of capital markets in general;
- e) The distribution of property by offering favourable conditions for the purchase of the assets involved.

As an implicit objective, privatisations were carried out as quickly as possible, so as to reduce the economic power of the State to a reasonable minimum. Some relationship must have existed between these actions and the real political possibilities of continuity for the military regime over and beyond the year 1988. The privatisation in the

social sector begins by the end of the decade of the seventies and beginnings of the decade of the eighties within the frame of the so-called process of "modernisations". One of the crucial changes was carried out in the Social Security System (pensions and health); in addition, important changes also took place in education (Hachette and Lüders:1991, 51 - 71 and 83 - 87).

It was in this way that, during the period lapsing from the mid-seventies to the beginnings of the eighties, capital was dominant, especially financial capital. The liberalisation of the economy and the opening to the external markets placed the Chilean economy within the frame of the international system and subordinated the internal activity to the international financial fluctuations. The external impacts that derived from the oil crisis impoverished all the economy. The returns on financial capital increased in a considerable way, while wages fell to a great extent. The economic policies applied during the crisis increased unemployment up to levels that came near to 30 percent of the labour force in the country. . (Muñoz: 1991: 20-22)

When the system entered a process of growth that could have involved a distributive trickle down, the crisis of 1981 took place and once again there occurred a backtracking of the distributive and macro-economic conditions. The external adjustment generated a greater decrease in real wages, in government and social spending and an increase in unemployment that was already very high. As of 1984 the macro-economic policy was reoriented through a policy of financial normalisation, in which the private financial sector was heavily subsidised and the State bore the losses generated by the crisis; this led to a sustained rhythm of recovery and finally of accelerated growth. Growth was stimulated by the development of the productive sectors, especially those oriented to exports, and by a reduction of the indebtedness by resorting to the foreign debt-equity swap mechanism.

In this manner, a favourable climate was created for private investment, which reacted very positively.

However, during this same period, there took place a decrease in the rate of gross investment per worker (with a negative impact on the worker) and changes in the occupational laws that were detrimental to the interests of the workers. The average wage in 1989 was 8 percent below that which prevailed in the seventies; the minimum wage went down by 9 percent, and its coverage decreased considerably. Additionally, family allowances were also cut down, to the point that in 1989 they were 71 percent below the level they displayed in the seventies. Public spending in health, education and housing by inhabitant also nose-dived, showing a decrease of 22 percent with respect to that which had prevailed in the decade of the seventies. (French-Davis: 1992:36 - 41)

Mention has to be made of the serious deterioration undergone by the National Health Service, which reached its peak in the second semester of 1992 when the physicians of the primary attention services (emergencies) went on strike demanding resources so that they might adequately carry out their health function and, in the second place, at least in what they said, to vindicate their wages.

In general, the period that went from 1980 to 1988 was characterised by the active presence of explicit and deep political conflicts and a slow economic development, with marked variations in production and retrogressions in the distribution of income. It is this combination of circumstances that compels the democratic government, which took office in March 1990, to deal with a set of very important challenges in the economy: the need to solve problems that had affected the operation of the Chilean society for a considerably long period of time, such as, for instance, slow growth, low levels in saving and investment rates, inadequate distribution of income, etc.. However, the new

government also had to contend with other problems that had originated in the crisis of 1981: unsatisfied basic needs worsened the living conditions of large segments of the population and a financial burden that limited the possibilities for investment and growth over the following years.

The strategy followed by the new government both in the economic arena as well as in the social field, can be described in terms of four basic aspects:

- a) to set up a stable institutional and legal framework for the development of economic activities. This involved the introduction of gradual changes in the operation of the economic system, through the development of a broad consensus in order to ensure that the changes would be totally legitimate. Among other fundamental reforms, changes in the occupational legislation were introduced so as to reinstate a legitimate organisational and bargaining framework for workers.
- b) to maintain a market economy open to the external markets. This involved that many important changes which had taken place in the economic organisation of the country had to be incorporated as a necessary and permanent element for future democratic strategies aimed at development. Among these, the growth and diversification of exports deserves to be highlighted in a special manner. In conjunction with this, there also existed the need to introduce regulatory elements in those cases in which the market cannot operate adequately, as is the case of the environment and natural resources, which has not been fully accomplished as yet.
- c) to give priority to the elimination of poverty. This involves a gradual but sustained improvement of education and health care, in addition to improving the pensions of the passive sector of the labour force. Additionally, there was also an increase of the resources apportioned

to improve the conditions of the groups in extreme poverty, as well as specific programs oriented to youths in particular. The foregoing meant a great amount of additional resources, which were obtained through the tax reform aimed at financing an increase in spending.

- d) macro-economic stability and gradualism in improving social progress. Since it was considered more important to maintain the macroeconomic equilibrium, the resources supposedly intended for social spending were closely related to any new surpluses that the economy might be able to generate, no relevant changes in the redistribution of income were attained over a period of four years. (Vial, Butelmann and Celedón: 1989:64 - 86; French-Davis:1992: 49 - 50)

The analysis of the behaviour of entrepreneurs in the decade of the seventies and the eighties enable us to ascertain that Chilean entrepreneurs had lacked any sense of cohesion as a class, since they had been unable to see beyond their own particular interests in order to safeguard the principle of the private enterprise and had not developed any awareness at all of the social problems affecting the country. Entrepreneurs in the decade of the seventies and the eighties lacked a collective and definite alternative project, and this is why when the military government took office there is a ceding of power in terms not only of economic leadership, but also of political leadership to the Armed Forces and to a technocracy of economists so that the military might safeguard the interests of the entrepreneurial. (Campero: 1984: 16)

These attempts to convert the private sector into the wheels of economic development were bound to fail despite all the favourable conditions that had been granted to them. The successful results of the entrepreneurial class depend, to a large extent, on the exceptional rent-seeking opportunities afforded to them by the military regime. Some are

unique opportunities, as is the case of the privatisation of State-owned enterprises, never to be repeated again under the same conditions and terms in the future. Other opportunities, such as the tax reductions (between 1985 and 1988) and the favourable labour market conditions that allowed them to keep real wages at a low level, could hardly have any chance to maintain themselves within a democratic regime. (Muñoz:1986a)

In the analysis of the role played by Chilean entrepreneurs in the development of the country, a whole set of explanations have been put forth and policies based on them have been implemented. In the first place, it has been stated that the Chilean society has never given due recognition to the industrial entrepreneurial activity and that, to the contrary, there has been a marked preference for other forms of activities such as the practice of liberal professions and employment in the Civil Service. A second explanation makes a reference to the structural insufficiency of entrepreneurs. Both the technological weakness and the limited investing ability of the entrepreneurial sector in a small and open economy as is the Chilean one has been fully recognised, as well as the historical need for the State's intervention in order to foment a national industrialisation project. The opportunities for industrial growth depend on the guidelines of the economic policies and on the situation of the external sector. Hence, the development of the entrepreneurial sector may have taken place in a manner which was very dependent on the State and the economic policies issued by it. A third approach attempts to explain the inefficiency and slow growth of the Chilean economy in terms of the state intervention that prevailed over the decades that followed the crisis of the year 1930, bringing about a paralysation of the private sector due to excessive bureaucracy and to the progressive loss of social discipline. These factors would have compelled the entrepreneurial class to adopt a short-term defensive attitude. (Montero, 1992)

Another approach and which is linked to the previous one originated in the entrepreneurs themselves when they justify the inefficiency of the sector in terms of the strong instability of the economic policies when there is a change of government or when there are changes in the governments themselves. In their view, a secondary element deserving consideration would be the existence of a strong control of the economy exerted by the State in its role as an intervenor. And, finally, the lack of social legitimacy of the entrepreneurial activity and an adverse attitude from the State, the intelligentsia and the workers. (ICARE, 1988)

The aforesaid characteristics point to the fact that the role of the private sector has in no way become a dynamic contribution to development, a fact which can be clearly perceived in the low rate of investment, no matter which political regimes has been prevalent, as well as in the slow effort aimed at capital accumulation along with the low long-term results in the use of productive resources. The problem of the role of entrepreneurs goes far beyond the political regime; the most important political actors in Chile agree that whichever the political and social organisation that the State might possibly have, there is a need for a dynamic entrepreneurial sector able to implement the development of the economy. (Muñoz:1988: 56)

Within the frame of the above outline it would seem that neither the traditional industrialisation strategies which were applied in Chile nor the more recent neo-liberal approaches have been successful in encouraging the development of a long-term dynamic entrepreneurial sector such that it would adequately complement and support the investment effort made by the State. The team of social scientists at CIEPLAN, that has had an active participation in the decision-making process during the government of the democratic transition, put forth a scheme in which they define a number of variables that, in some way or another, affect

the efficiency of the entrepreneurial sector and, consequently, of economic development (Muñoz:1991):

The motivations of the entrepreneurs encompass issues such as, for instance, accepting profits as a result of the productive effort and of the risks taken, even if they do involve inequities in the primary distribution of income; demanding for stability in the institutional rules, especially with respect to the property and the legitimate rights that ownership accords; and, urging for macro-economic stability, that enables them to define long-term investment plans.

The economic institutional framework fulfils a central role in the variables that affect entrepreneurial efficiency. This institutional framework is to be defined by the role played by the State and by the role of the regional and local institutions and hence allow for the incorporation of local and community agents, all of which creates the conditions to attain a more effective leadership. It exerts an influence on motivations, through cultural and educational policies, by developing creativity and learning through social interaction.

The institutional framework also exerts an influence on the implementation of the productive development strategy, which implies definite sectoral options that are critical in defining the allocation of resources and instruments of economic policy that are coherent with these options. Within this context, the institutions that should assume a leadership are the State-owned enterprises, the public agencies responsible for promoting and defining policies and the institutional framework of the private sector in a coordinated manner with the previously mentioned ones.

Both the economic policies, as well as the sectoral options, define a structure of incentives that will have an indirect bearing on entrepreneurial development. In addition, the development strategy incorporates an objective of learning and technological adjustment and

an optimisation of planning and monitoring processes of both production and inputs.

Another group of variables that have a direct influence are those generated by the global political framework. They also exert an influence on, among others, motivations, the rules of the institutional game, the property system and the possibilities for social concertation. They also affect the relationships with the trade union movement as well as the relationship between the State and the private sector, as in the case, for instance, of the level of the tax burden, the system of State-owned enterprises and the methods for the regulation of the macro-economic framework, in general, and of the financial system, in particular.

Finally, it is necessary to point out the mechanisms which provide the system with feedback and are generated by a greater entrepreneurial efficiency in terms of a more accelerated economic growth, allowing for an increase of the entrepreneurial income and experience and hence reinforcing, on an overall manner, the set of relationships that have been indicated above. (Muñoz:1991)

These favourable conditions for the development of an entrepreneurial sector also involve, among others, some commitments and responsibilities that have to be safeguarded if real development is expected and not economic growth alone:

- a) the existence and development of creative and innovative behaviours, that provide a quick response to both technological innovations and changes in the markets and, consequently, avoid social costs and inefficiencies that should not take place at all and that are, in addition, directly related to private losses or gains.
- b) an equitable and redistribute behaviour with respect to the workers, in harmony with the results and behaviour of the markets, where

negotiation is the primary course of action to come up with beneficial agreements to both parties, the enterprise and the workers.

c) a process of technological optimization attended by a modernization of the administrative and social processes within the enterprise.

Larraín (1990), in relation to the entrepreneurs and their role in the process of development, emphasises the importance of entrepreneurial qualifications and the necessary elements that are required:

Access to financing: In this respect, Larraín proposes the establishment of a fund of risk capital in Chile, or otherwise that the effort be jointly undertaken by the private sector and the National Economic Development Agency (CORFO) and the International Financial Corporation (IFC) of the World Bank. This would make it possible to generate social benefits in terms of creating employment, increasing tax revenues and expanding exports. The objective is not only to support the projects which involve breakthrough technology, but also to support the creation of services that would solve a need of the society by resorting to a simple technology, or also by applying the technological advances attained in other countries.

Stability of the setting in which the entrepreneur conducts his activities: In this regard, Larraín claims that entrepreneurs are more willing to take on risks than depend on their performance (that is to say, those of organisation, production, etc.) and less willing to become involved in those which are beyond their control. The role of the State and of society is that of reducing some of the risks that do not depend on the performance of the entrepreneur. In the first place, the right to property should be fully warranted and, in the second place, economic policy should not undergo any sharp changes.

Universities and entrepreneurial training: In this connection, Larraín advocates that it is necessary to foster and develop entrepreneurial

vocations, by either offering courses, establishing close ties between the universities and the firms, etc.. In addition, it is also necessary to provide guidance on ethical aspects and on the social responsibility of an entrepreneur.

Image of the entrepreneur: In relation to this aspect, Larraín emphasises the need for a positive attitude towards the entrepreneurial activity. *"The gains of an entrepreneur are more often than not viewed with misgivings and even with blunt hostility in some sectors"*, he states. In order to change such an attitude, entrepreneurs should share their benefits with the workers in good times, so as to modify the negative attitude and also create a suitable atmosphere to obtain workers' help in hard times. Improving the image of the entrepreneur is a joint effort, affecting the State, the entrepreneurial sector and society.

At present, the situation of entrepreneurs seems to differ from the historical vision and over recent years the entrepreneur has become a social actor that is duly acknowledged by Chilean society as a whole, especially in the discourse of the political actors. This change is expressed in a greater social legitimacy of the entrepreneurial class and of rent-seeking, in a more active political role and in a quest of a new type of relationship between entrepreneurs and the State. However, this is also attended by the fact that entrepreneurs distrust the State, along with their strong proclivity to expect everything from the State.

The Government of democratic transition vis à vis the private enterprise has opted for an indirect action and oriented its efforts primarily to create adequate macro-economic conditions (cut inflation down, establish a realistic exchange rate policy, regulate interest rates within reasonable levels, foster a policy of saving and long-term investment) to create incentives so that the entrepreneurial sector maximises its efforts, and to take direct and specific action with respect to the regulation of the social and environmental disequilibria. (Muñoz: 1990)

The new government assumes that the private sector will take up a greater responsibility in formulating and implementing either productive initiatives, investment projects or technological innovation. To do so, the country needs an efficient entrepreneurial class willing to stake its resources and energies for the country's sake. But, the country also needs workers who firmly believe that their efforts will benefit them. As stated by Muñoz Goma "This is the foundation [...] to sustain a long-term social and economic development". (Muñoz: 1989: 22)

The history of the Chilean entrepreneurial class and the projections that can be made on the basis of the data available, show that it has developed under the protection of a paternalistic State from its beginnings. Ever since the foundation of Sociedad Nacional de Agricultura (National Agricultural Association), in the middle of the past century, until the setting up of the main economic groups which now exist in the Chilean economic context, it is observed that the action of the government aimed at protecting and supporting entrepreneurs to the detriment of other groups in Chilean society. As an example, at the beginnings of the Military Government (1973-1974), the National Development Agency (Corporación de Fomento de la Producción - CORFO) invited and selected specific groups of entrepreneurs in order to transfer companies, which had been taken over by the State during Allende's government, and for which it created financing, assistance and management support instruments.

Briefly stated, the history of the development of the Chilean entrepreneurial class shows that it subordinated to the orientations and guidelines that originate in the State - which favours it when the government is made by members of its own class, either through direct or indirect subsidies, policies which prioritise their interests, etc. - and, a strong abundance of and respect of law and order - of which the active role played by a part of the entrepreneurial class during Allende's government is an exception.

3. The historical behaviour of workers

The history of Chilean trade unionism, from its very inception at the beginning of this century, is strongly influenced by the experiences of workers' movements in Russia and Germany, and the movements of North American workers to vindicate rights (Chicago Movement) and English workers (Movements of miners and textile workers at the end of the last century). This influence has meant that the actions to vindicate rights in Chilean unionism are based on a view which acknowledges: a) the hierarchic and vertical character of Chilean society; b) a strong abidance and respect of standing laws, though it may not be favourable to them; and c) a class feeling, in which workers are in the periphery of the economic, social and political decisions, which have an impact on national life.

At the beginning of the century, the Chilean trade union movement perceived oligarchy as a conglomerate of social sectors which wielded the power and controlled an alien world through their peculiar ways of acting at the political level, managing the State and establishing interrelationships among themselves and with the rest of the society. (Campero:1985, 214; Pizarro:1990, 87). An expression of this view was the driving idea which was present in the initial steps of the FOCH (Chilean Worker Federation - Federación Obrera de Chile) so as not to become contaminated, not to become involved in the political structures which at the time were a part of powers of Chilean society.³ An idea which is expressed in the stand taken and which stressed that "neither the oligarchic society, nor its political system had been conceived leaving any room for the participation of the popular sectors (or of their

³ At the time the country had a political structure based on a parliamentary system, in which the Congress held the power, and the President has a secondary or a merely decorative role. The different party alliances and combinations reflected much lobbying, which exclusively represented the interests of the oligarchy. Aylwin et al. (1992)

values), but rather thinking in terms of their exclusion'' (Campero:1985, 220)

From its origins, the FOCH operates in terms of a world view that, on the one hand, excludes it from power, and, on the other hand, encourages mutualism, self-help within the community and solidary action with regards to its internal components. This outlook in terms of the world was bolstered in the Chilean trade union movement by the strong influence of the Catholic Church and, particularly, Leo XII's words - *Rerum Novarum* -, on which was founded the idea that in the face of existence of an unjust society, which excludes workers, they must find autonomous ways to solve their problems through actions based on mutualism and self-help. Even though, from its origins, the trade union movement evidences the coexistence of catholic, socialist and anarchist ideas, which usually differ as regards their proposals and actions, all of them converge in terms of the notion of developing and becoming an autonomous social actor, in which internally the relationships of the members are aimed at mutualist and solidary actions.

The incorporation of the middle class sectors in the power apparatus of the State when Arturo Alessandri took office as President of the Republic gave rise to a number of legal initiatives which included some of vindications of the workers. However, these initiatives were arrested by the oligarchic power, among others the Labour and Social Security bills of law. It is with the military intervention in 1924 that the Congress enacts some laws which acknowledge some of the rights of workers: a) compulsory social security in relation to labour accidents, b) legal recognition of professional and industrial trade unions, c) the right to go on strike, d) labour contracts, and e) institute courts to settle and conciliate labour conflicts. Thus, the State takes up an important role in defining the system of relationships for workers. (Aylwin et al.: 1992, 120 -121)

The increasingly greater influence, first of the Partido Obrero Socialista (Socialist Workers Party) and then of the Communist Party in the trade union movement, emphasised the contradictory character and its conflict with the dominant groups, but in practice retained their subordination to the same rationale of social structuring. With the political triumph of the Popular Front, the trade union movement yielded to the State the initiative in the generation of a process of changes which would include solutions to their most urgent problems (Aylwin et al.: 1992, 164 -165). Along with the organisation of the Confederación de Trabajadores de Chile (Chilean Federation of Workers - CTCH) in 1936 the orientation of the trade union movement shifts to an institutional vocational, which was favoured by the space opened up by the laws regarding the setting up of trade unions and the development of trade union movements associated with industrial progress .(Pizarro: 1990, 107 - 108 and 119)

The CTCH acknowledges that it is a part of the national political system by establishing strong bonds with the parties which support the Popular Front, in whose government it feels it is a part. On the basis of the connection with the institutional political apparatus, in special with some of the political parties, the action of trade unionism becomes subordinated to the guidelines which stem from them. (Mason: 1986, 60 - 63; Muñoz: 1986b, 96 - 97)

This situation remained unchanged until 1945-46. The conflicting initiatives of the anarcho/trade unionist groups of workers, brought together workers from printing shops, footwear factories, maritime activities, among others in the General Federation of Workers (Confederación General de Trabajadores) aiming to uphold a free trade unionism, though not within the law. They were not able to become an alternative to the CTCH. (Barría: 1967, 36)

The 1946 political crisis led the trade union movement to question the effectiveness of the political parties in terms of representing it, particularly as regards the social interests of the trade union and workers. In addition to this, trade unionism also cast a doubt over the validity of belonging to a society in a process of political and economic development which expands the rights of all its citizens. (Campero: 1985, 230). A reaction to the crisis of confidence in the State's political and administrative institutional framework to solve the problems of the workers will be perceived in the strong support given to Ibañez in 1952. Ibañez represented the "caudillo" able to do away with the political and administrative immorality which prevailed and was an obstacle to finding a road to the solution of the problems of the workers. (Aylwin et al.:1992, 190 - 191)

In February 1953, a new stage in the Chilean trade union process begins, with the creation of the Central Unica de Trabajadores (CUT), which will "reflect the articulation between an insightful understanding of the crisis and the recovery of the principles for action which had been the foundation of the CTCH." (Campero:1985, 224 - 225). During this reconstruction stage of the trade union movement, in which the law for the defence of democracy had been in force, it is the workers from the services sector, both public and private, and which belonged to the middle classes in society, who played the most active role in leading the trade union movement. (Moreno: 1988, 86)

Despite what has been said above, the declaration of principles of the CUT in 1953 had a strong Marxist content, though it did not in any way exclude other currents of thought, such as, for instance the social/Christians, who will have an important role in moderating the discourse towards the beginnings of the sixties (Barría: 1968). During this period, as stated by G. Martínez (1985, 7), "even though the trade union movement is geared preferably to vindicate rights and oppose the government, it operates within the frame of the political system and

accepts on a de facto basis, despite its [declarations] of principles, the rules of the game". Thus the CUT is born "within the frame of the national political institutions" and it is there where it will devote all its efforts to "fight for the structural changes".

Slowly, but progressively, the CUT becomes subordinated to the guidelines issued by the political parties which recover their legitimacy in exerting leadership and influence within the trade union movement. According to Campero (1992: 225 - 226), within the CUT all the political tendencies of the different parties which were dominant those years had a place, and at times it became the setting where the national problems were analysed. During the period 1958-64 trade union activity was marked by general and/or national strikes summoned by the CUT, all of them aiming at salary adjustments and improvements.

As from 1964, Frei Montalva's Christian Democratic party's government promoted important changes in the State's wage policies. Among others a) the unionisation of workers, b) salary adjustments indexed to 100 percent of the inflation, c) industrial and agricultural minimum wage, d) tenure laws, e) on labour contracts, f) on accidents, g) medical assistance, h) travel, etc. In addition, the political program put forth included new resources for the educational reform, housing and health, which recognised new and broader rights for the workers .⁴

The period 1970-73 was characterised by the trust which a significant part of the Chilean trade union movement placed on the State's policies and on the fact that the Executive power was in favour of the interests of the trade unions and the workers, independently from whether their specific contents were or not shared.⁵ Once again, though with characteristics which differed in many aspects, as it was during the

⁴ Report for the Government Program of the Christian Democratic Party. Christian Democratic Party, Santiago, December 1962.

⁵ Sixth National Congress of the CUT, Santiago, December, 1971.

period of the Popular Front, the trade union movement subordinates itself to the leaders of the political parties, and as it happened before, there arises the initiative of a parallel trade union movement through the Frente de Trabajadores Revolucionarios (Front of Revolutionary Workers) promoted by the MIR (Leftist Revolutionary Movement), which had a weak development, though it was significant in some urban areas through the "industrial belts" (Bascuñan: 1990, 83)

With the coup d'etat on September 11, 1973, the trade union movement faced a process which tore it apart, repressed it and persecuted it until it was practically annihilated. Nevertheless, its action was one of the factors which gave more political visibility to the resistance of the citizenry to the military government. (Garretón: 1993, 82). It was the only social body which displayed a clear anti-authoritarian conscience in the face of a political system based on institutional coercion. (Hurtado:1985, 117). During the first stage of the military regime, labour policy was characterised by the repression of trade union organisations and leaders, control of trade union activity, elimination of all types of elections, prohibition to go on strike and suspension of collective bargaining.⁶ The Minister of Labour at the time stated that the relationships between workers and the firm had to be regulated and interpreted within the frame of an obligatory settlement and arbitration in which the firm integrates and attains the harmony between capital and labour.⁷

As a reaction to the actions of the military regime, the trade union movement, organised in several groups of trade of unions such as the

⁶ Decree Law No. 1 of September 11, 1973 which revokes the juridical personality of the CUT. Decree Law No. 198 of December 10, 1973, which restricts, inhibits and controls trade union activities. Military Band of September 13, 1972, which suspends the right to submit petitions.

⁷ Revista Que Pasa, November 17, 1977, interview to the Minister of Labour, Mr. Sergio Fernández. "the politisation and use of intermediate organisations such as the trade unions call for a period in which their activities are subject to some constraints" Jaime Guzman E, Diario La Tercera, September 13, 1976.

Unión Democrática de Trabajadores (de Democratic Union of Workers, connected to the Christian Democratic Party), the Coordinadora Nacional Sindical (National Trade Union Coordinator) and the Frente Unitario de Trabajadores (Unitary Front of Workers), manage to develop a movement of reaction, rather verbal and symbolic, in terms of complaining about the situation of the workers, about violations of human rights and trade union rights. (Falabella and Campero: 1993 , 136)

By 1988, trade union actions are subordinated to the guidelines of the political leaders which channel their efforts to create the Central Unitaria de Trabajadores (Unitary Federation of Workers), which will have an important public role in the period of the transition to democracy, notwithstanding the fact that it allowed - so as to allow the stabilisation of the democratic process - the political parties to take the initiative in developing the plans and programmes of change. Under the presidency of Patricio Aylwin, the trade union movement, organised as the new CUT, undertakes a number actions which allow it to reach agreements with the entrepreneurial sector, where the State participated in its role as a mediator and overseer of labour relations, with respect to the basic socio-economic guidelines, the reform to the labour legislation and some short term measures such as minimum wages and family allowances. These agreements regarding salary improvements were possible to the extent that they were based, first, on a common vision of social, political and economic development of the country and subsequently, in the commitment of the workers to find the mechanisms that would make it possible to overcome the historical situation of confrontation between entrepreneurs and workers.⁸

⁸ Historias y conflictos de la Transición, Diario la Nación, special issue, May 11, 1994. Cortázar, René (1992)

As in the case of the government of the Popular Front, the trade union movement felt that the government of democratic transition met its expectations. The CUT stated "its firm resolution to actively participate in the national effort to restore democracy".⁹ On the one hand, the Government committed itself with trade unionism to give it a more active and protagonist role in the definition of the new policies, but on the other hand, the trade union leaders - as an expression of their support to the government - had to take up a role in terms of holding back the great number of unsatisfied demands which affected workers, so as to give the development of the democratising process some stability.¹⁰

During the period of transition, some sectors of the workers, such as FENATS, The Teachers Association, the miners from Chuquicamata, among others, mobilised themselves and took up conflicting positions with respect to the agreements made at the highest level between leaders of the CUT, the entrepreneurs and the Government, questioning the loyalty of trade union leaders to the vindications of workers.

To sum up, from its beginnings and to our days, Chilean trade unionism seems to have held a "symbolic power" in relation to all other social actors, but especially in what respects the popular world, which has seen it historically as the vanguard in the fight to improve their living conditions. At the same time, during all the history of the trade union movement in this century, it is possible to observe a great reliance and involvement of the political power regarding its scope and action.

Conclusions

Finally, by way of a conclusion, and considering the background information provided in this chapter, it can be said that the relationship

⁹ CUT Transición para la Democracia, April, 1989

¹⁰ CUT La CUT frente a la situación política del país, November 19, 1990

of the State with the different agents which compose it (the entrepreneurs and workers), must be analysed on the basis of an understanding of the cultural model which governs the behaviour of the different actors.

The social, political and economic behaviour of the entrepreneurs, the workers and the State, responds to a specific valuation and location of each social actor within the culture, some of the keys of which, that emerge from the description made, manifest themselves in a manner which is peculiar to them: a high valuation of the hierarchies through which behaviour is modelled, and which is taken to be as a part of the social structure; a sort of blind subordination to laws and written norms which is associated with a great distrust in the capabilities of the individuals, the groups and the country as an entity; a fatalism which leads to a tendency to conservatism and a lack of initiative, at many levels, accompanied by some type of messianic heroism to face natural and/or social crises and disasters.

In the same manner as the process of decoding some of the cultural keys adds, at a general level, an element of judgement which enriches the understanding of the relationships which have existed between the entrepreneurial groups with the State and with the workers; this same effort to describe the culture at an organisational level enables us to add a point of view to find the deepest sense which underlies the activity, structure and way of life of the organisations, the behaviour of the entrepreneurs, of the managers and of the workers.

Finally, if the behaviours, movements and actions of those agents gain meaning when understanding the cultural keys which are expressed through institutions, laws and norms of behaviour, and if organisations, as intermediate entities between the individual and the State, are the key element in the social structuring within the dominant paradigm, then it becomes relevant to know the content and sense of the organisational

culture of the firm and to identify the relationships which it has with the results, processes and structure of the firms in Chile.

In the chapter that follows, we develop and analyse some of the most frequently accepted ideas in social sciences regarding the concept of culture and its relationship with the analysis of organisational behaviour.

Chapter Two:

The Concept Of Culture And Organisational Analysis.

The research on organisational culture, as it is conceptualised nowadays in organisational analysis and theory, only begins with the work of Jaques (1951). However, it is possible to find seminal precedents in the work carried out by Mayo (1930) at Western Electric Co. in the twenties, and which we will address at later stage.

The concept of organisational culture in the area of both Business Management and Organisational theory has been perceived, over the last 15 years, as a powerful analytical tool enabling us not only to identify the types of changes needed by organisations, but also, at the same time, to channel the efforts to attain those changes. There most definitely does not exist any ^{کونسا} consensus on the meaning and definition of Organisational or Corporate Culture, which can in part be explained by the explosive character that its development has had over the decade of the eighties and due primarily to the interest shown by Business Managers. It is to be noted that most researchers use the terms Organisational or Corporate culture to denote the values, philosophy, myths and other concepts that are shared by the members of a given organisation. In other words, the organisations are thought of as having a culture, in the sense that each one of them has a particular set of beliefs as to how the work must be accomplished and as to how the organisational objectives and results should be achieved. (Smith: 1986, 16 - 17)

During the period encompassing from the 1920s to the 1950s, in the United States, a group of anthropologists, who are the disciples of Boas, developed a more applied-oriented approach of the discipline, by linking their attempts to find solutions to the more immediate practical problems affecting American society, and thus brought about a strong interaction with other social sciences. At a first stage of f development of the

discipline, some anthropologists conducted research activities in industry, in conjunction with sociologists and social psychologists and hence introduced the cultural factor in the explanation of the organisational phenomena observed, in what is termed the "Human Relations School" and the "Organisational Behaviour School" in the area of Business and Management Studies.

A remarkable example, which we have already mentioned, is afforded by Mayo's work on human behaviour in organisational contexts and which was carried out at the Hawthorne Plant of the Western Electric Co.. This work is the source, the model and the initial foundation for the subsequent development of an Anthropology applied to organisational and industrial analysis. (Fillmore:1990, 12)

Studies conducted on the behaviour of small groups, personal interaction networks, informal groups, at large corporations, among other topics, have been undertaken more recently, by applying "classical" anthropological techniques, such as, for instance, participant observations, open interviews to key respondents, along with other complementary techniques such as sociometrics, questionnaires of different types, and so forth¹¹. As an outcome of the relative success in attempting to come up with solutions to contingent problems, the attention of cultural anthropologists was increasingly oriented to bridging the purely academic pursuits and the need to solve practical difficulties that affect contemporary society (Eddy and Partridge:1987, 7 and following)

A scientific analysis of the sociocultural reality with a view to find answers to the problems that affect contemporary societies, is what, over the period ranging from the 1920s to the 1940s, came to be called Applied Anthropology in both England and The United States of North America. Nevertheless, from the very outset, the work carried out by anthropologists

¹¹ A frequently cited example is that of Kunda, G. (1986).

has been strongly associated with solving contingent problems, for instance, the case of work undertaken with respect to the administration and expansion of European colonialism at the end of last century and the beginnings of this century, as clearly shown by Harris (1968). With the development of Applied Anthropology the discipline changed its orientation and was aimed at serving the needs of society rather than the requirements of domination (Harris:1968).

The concept of Culture and Organisational Theory

The intersection between organisational theory and the theory of culture is expressed in many thematic areas that have a high-priority interest for those who are involved in research in fields that are related to administrative and organisational behaviour, such as, for instance, Transcultural Analysis in Business Management, corporate or organisational culture, organisational symbolism, among others. Different concepts of culture and of the organisation underlie the research work in those thematic areas. The variations in the manner in which the content ascribed to culture is used in these different thematic domains can be directly associated with the way in which the concept is borrowed from Anthropology (Smircich:1983, 339 -358).

In Anthropology and other social sciences as they stand nowadays, the concept of culture has been approached at manifold levels of abstraction and hence organisational culture as a concept in organisational analysis also replicates this diversity and, it could even be said, the prevailing conceptual confusion. Within the frame of Scientific Anthropology we now have a number of possible approaches to culture and organisation. If in Scientific Anthropology, by culture is meant that part of reality which has been modified by the purposeful action of man, then organisations are cultural artefacts; those characteristic ways of life characteristic to a given human group across time and space, then organisations are cultures; and those sets of patterns or models of and for experience

which human beings have at given time in space, then organisations have cultures

The wide array of prevalent theoretical stances in Anthropology is assigned, even with greater ambiguity still, to the cultural analysis of human behaviour within organisational settings, which makes it difficult to specify the essential content of what different researchers in the field of organisational studies mean by "organisational or corporate culture". Traditionally, the approach in the organisational analysis was centred on the administrative and economic issues; however, the changes the world has undergone after the Second World War have led to a more social, humanistic, psychological and cultural perspective of organisational behaviour.

Already, by the decade of the thirties, what has been termed the School of Human Relationships had arisen within the field of Business Management, as an outcome of the work published by Mayo (1930), cited by us earlier, and which is interpreted as a reaction to the rationalist and mechanistic outlook imposed by Taylor's thoughts on Business Management in the first decades of this century. In the above studies, it became evident that some qualitative and subjective elements, such as, for instance, the recognition of the worker as a person and not only as a necessary productive factor within the setting of a company, had a significant influence on the behaviour of individuals in relation to attaining the company's objectives.

In the decade of the fifties and the sixties, Management by Objectives and Results (MBO) was the dominant keynote in management theory and practices. In the decade of the sixties and seventies, Organisational Development (OD) and Management for Change exerted a great influence on academic and entrepreneurial activities. In the decade of the eighties and nineties it seems that the organisational, corporate or entrepreneurial culture plays a dominant role in managerial thinking (Lessem:1930, 3 and following). Despite what is stated in the preceding paragraphs, already in

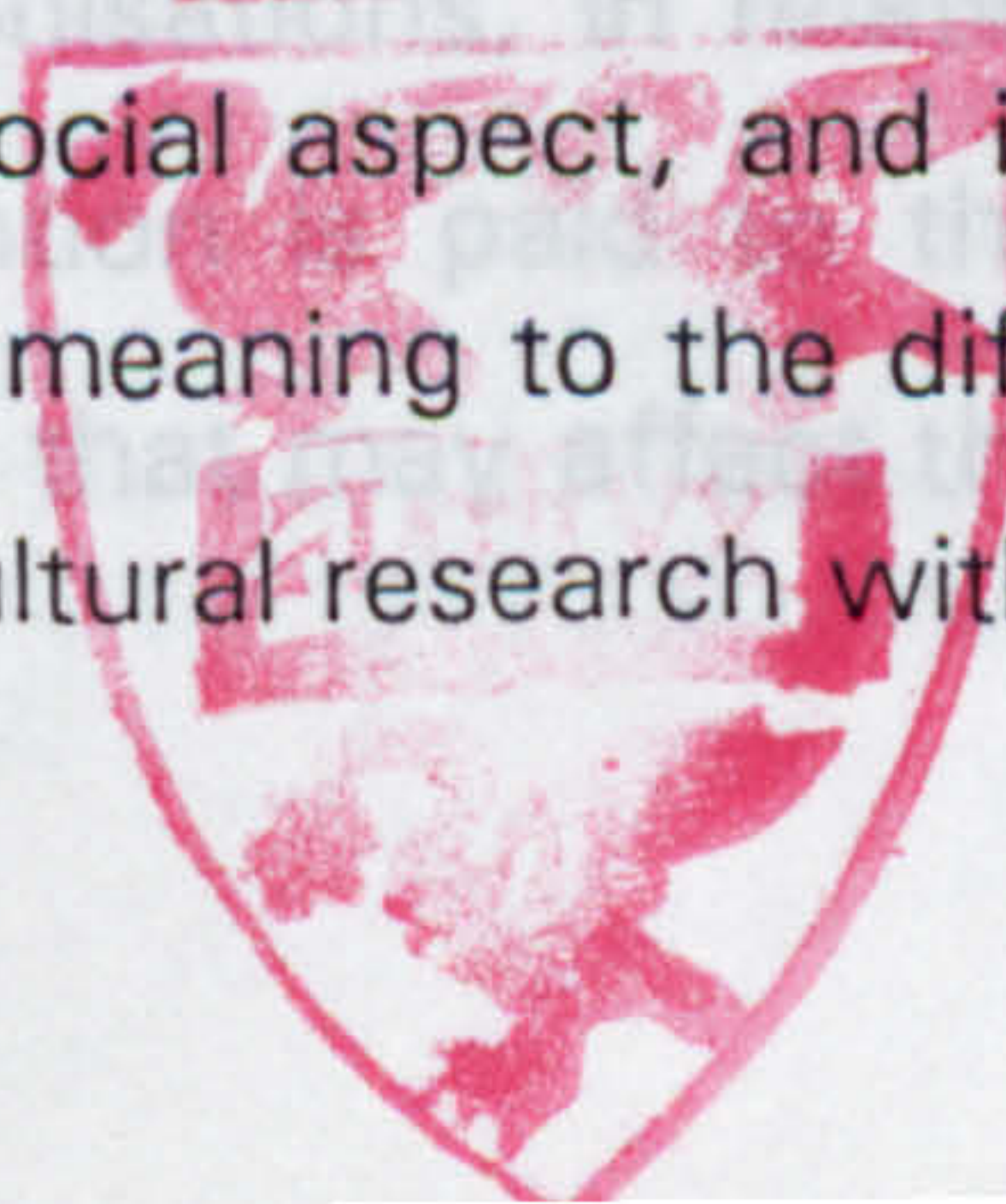
classical authors on the theory of management, as for instance Fayol (1930), we can find clear references to these "soft", "irrational", subjective aspects, when, in his explanation and normative proposal of an efficient management, he makes a reference to the "sprit de corp" as a vital element of management.

It is useful to review the concept as it has been used by those authors which due to their theoretical contribution and/or methodology have played an important role in developing the theory of Culture within the frame of Scientific Anthropology, is of great importance to gain an understanding of the depth and scope of the meanings which the contemporary cultural study entails. Concurrently, we shall review the organisational counterpart to cultural analysis which, either explicitly or implicitly, is a part of the Organisational Administrative Theory. For the sake of clarity, we will organise our general description of the key proposals into two great sets: (a) those models that are centred on culture as a part and a substratum of behaviour within the social system, and (b) those models in which culture links itself basically to a subsystem of symbolic representations present in the social system partially following what has been forwarded by Allaire and Fursitori (1984: 192). The description that follows can be neither a detailed, strict nor exhaustive analysis of the various uses of the concept of culture; however, it will suffice for our purposes, within the limits of space that we have in order to clearly lay out these two large visions; nevertheless, we will point out some of the nuances that exist between them, without going into a deeper analysis.

a. Culture as a part and element that supports the social system

For the theorists of this current of thought, culture is integrated into a whole that includes the social aspect, and in which culture is the element that articulates and gives meaning to the different aspects of the social life of a group. The task of cultural research within this theoretical context is to

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discover the mechanisms or principles that account for this articulation, which, in most cases, is deemed to be congruent, harmonious and functional, and to express them in an explanatory holistic model of human social life, including factors ranging from those of a biological nature to those of an idiographic one.

In the domain of Anthropology this approach was predominant until the decade of the fifties, when it gradually lost its footing in the United States, and at present, only some outstanding anthropologists, as are the cases of Marvin Harris and Leslie White, operate under this conceptual umbrella. A general review of the literature on management shows that, especially in the case of the so-called "classics", the tacit assumption is still prevalent that the structural and social elements are (or they should be, for the sake of a proper operation) "fully integrated, synchronised and consonant with ideational and symbolic dimensions of the organisation." (Allaire and Fursitori, 1984: 196)

Under the influence of the concepts developed in the beginnings of Scientific Anthropology, organisations are perceived -- either explicitly or implicitly -- as sociocultural systems equivalent to societies in miniature. The idiographic components, such as, beliefs, shared values and other kind of explanations, are interrelated and interdependent with the components of the social structure within the frame of a holistic concept of the organisation. In this perspective, research and theory concentrate, in the first place, on the analysis of structures, the operation and developmental processes of sociocultural systems, and, in the second place, in the development of typologies to explain the great variety of forms and processes observed. Obviously, since idiographic and symbolic aspects are assumed to be synchronised and to mutually provide themselves with feedback, within the organisations, in relation to the structural and formal aspects, hardly any attention is paid to the presence of inconsistencies, contradictions or conflicts that may affect these dimensions of reality.

i. Culture as a complex set of acquired habits and abilities.

The scientific and systematic study of culture as a central object of Anthropology was started by the beginnings of 1870 by Sir Edward B. Tylor, at the University of Oxford, in England. For Tylor (1871) "culture or civilisation, taken in its wide ethnographic sense, is that complex whole which includes knowledge, beliefs, art, moral, law, customs and any other capabilities and habits acquired by man as a member of society". (Tylor:1871, 1)

According to the Tylorist conception, culture is everything that is learnt through the socialisation process. However, it must be pointed out that terms such as civilisation, society and others that Tylor resorts to in his definition are quite alien in their meaning to what we understand in our everyday language, but that as they are used by him, they are tinted with evolutionary connotations which correspond to the theoretical paradigm that was dominant in his time, in which Victorian society was the higher model of civilised society. The latter is clear in many passages of his work, in which he states that cultural differences correspond to "stages of development or evolution, each the outcome of previous history, and about to do its proper part in shaping the history of the future" (Tylor:1871).

*Comparative Management*¹²

Underlying research in Comparative Management is the notion that there exists a model of modern management and many other previous models of administration. In these studies, the belief that the systems of organisational management that can be observed in different cultural contexts have degrees of similarity (closeness) and of difference with respect to the modern North

¹²A review of what has been the work carried out in this area may be found in books by authors such as Weinshall, T., 1977.; Graves, D., 1973,.; Davis, S., 1971; Davis, S. and L.W. Goodman, 1972,

It is interesting to observe the coincidence that, along with the relative success of companies and the economies of the Far East (Japan, Korea, etc.), there should have taken place a change in the orientation of cultural studies in Management, from a comparative approach with evolutionary undertones to a more functional approach. The research approach departs from that of establishing relationships between national cultures and organisational performance to the analysis of the role of culture in organisational performance. It is frequent that some authors in Business Management and Organisational theory, who adopt this point of departure, do not consider the implications involved in such a definition and they only admit the descriptive elements that the definition furnishes. (Aviel:1990, 5)

ii. *Culture as an historically constructed model of social behaviour.*

Before Franz Boas, it is difficult to speak of the existence of a Scientific Anthropology as such in the United States, despite the important works by ethnologists of the standing and importance of Lewis H. Morgan (1878) , published prior to 1900. Boas' conceptual framework, without any doubt, exerts a great influence on the development of American Cultural Anthropology through his best known disciples, Margaret Mead, Ruth Benedict, Ashley Montagu, Alfred Kroeber among others. Boas and his disciples developed an important body of work which has been defined as the Historical-Diffusionist School and is related to the description and classification of cultural facts arrived at through intensive ethnographic research¹³.

This school of thought perceives culture as a supra-organic, temporal and autonomous configuration that arises from historical processes and circumstances. The observable similarities and differences in the patterns of behaviour across the different groups is explained by processes of

¹³Examples of these works are to be found in Mead (1930, 1935, 1943), Benedict (1935, 1947).

trans-culturation, acculturation and assimilation, that have taken place in time as an outcome of contacts among the groups. Towards the end of the decade of the forties, two American anthropologists Alfred Kroeber and Clyde Kluckhohn attempted to reduce the confusion and dispersion of the definitions of the concept of culture which were being used at the time. However, their efforts did not attain, as a result, a synthesis that overcame the existing diversity, but to the contrary, it only added a new and more complex notion of culture. They conclude that culture should be understood as something that "consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of actions and, on the other as conditioning influences upon further action" (Kroeber and Kluckhohn:1952).

Within this theoretical current, the phenomenon of culture can be envisaged as the "background" for behaviour or a sort of master plan or blueprint for human activities. The most important contributions of this approach are the recognition that culture has an implicit and explicit character, that culture is transmitted and acquired through socialisation / enculturation processes, that culture has an abstract or symbolic character, and that the invisible and most relevant core of culture is made up by values.¹⁴

From this point of view, historical factors are more relevant than the processes of environmental adaptation, when it comes to explain the cultural transformations that societies, organisations or groups undergo.

¹⁴ culture [seems] an iceberg where only the tip is visible while the bulk is concealed... While many individuals may have dealings with foreign customs and languages, these are relatively easy components since they are visible and comprehensible. It is much harder to detect and to deal with values, assumptions, and perceptions" (Aviel, 1990, page 5).

Consequently, the focus of the attention in cultural research, as it is perceived by this school of thought, is centred on the dynamics of change in social structures and in the processes of trans-culturation, acculturation and cultural diffusion.

Alfred Chandler

It is not possible to identify an equivalent school of thought in either the Organisational or the administrative field¹⁵. Nevertheless, it is possible to see in some authors, as Alfred Chandler (1962, 1977), an explanatory perspective in which organisations are perceived as sociocultural systems that are historically determined and in which the particular organisational processes and structures reflect the origin and the historical circumstances of their development. From this outlook, organisations are seen as updates of their origin, processes and historical transformations, a point of view that is adopted, at least partially, by Schein (1985). Many issues in connection with the origin, change and diffusion of the organisational patterns and administrative practices have been abandoned and left without any answer.

iii. Culture as a means to satisfy needs.

Using an organism as an analogy, functionalists, the followers of the positions put forth by Malinowsky (1944), attempted to explain human social behaviour, under the assumption that society operated on the basis of the same general principles that could be observed in the operation of all other living organisms. Malinowsky understood culture to be "the integral whole consisting of implements and consumers' goods, of constitutional charters of the various social groupings, of human ideas and crafts, beliefs and customs. [the culture is] a vast apparatus, partly material, partly

¹⁵However, a great number of authors begin their papers on Organisational Culture either by citing the definition of culture put forth by Kroeber and Kluckhohn (1952) or by making a reference to the importance of their work in the development of this field.

human and partly spiritual, by which man is able to cope with concrete, specific problems that face him" (Malinowsky:1944, page 36).

The focus of the cultural functionalist analysis is to find the way in which the different elements of human reality are articulated as harmonic and functional wholes, in order to satisfy the seven basic needs of the individuals. In Malinowsky view these basic needs correspond to "metabolism, reproduction, bodily comfort, safety, movement, growth and health" and which are satisfied through "commissariat, kinship, shelter, protection, activities, training and hygiene". In some way, as it was envisioned by Malinowsky, culture comes to replace the role of some of the biologically inherited mechanisms, such as the instincts present in the other members of the animal kingdom. Finally, it must be emphasised that one of the contributions which is acknowledged to Malinoswky's Functionalism is not at the theoretical level, but at the methodological one. It was he, who for the first time, applied what is known as participant observation to ethnographic work, and thereby made it a sine qua non condition of anthropological efforts. (Malinowsky:1944, 91)

According to the tenets of Malinowky's universal functionalism, social institutions and all cultural manifestation in ultimate analysis serve the interests and needs of the individuals that belong to a society or otherwise the latter tends to disappear.

Human Relations School.

Towards the beginnings of the decade of the twenties, in the U.S.A., the interest of organisational theorists was oriented to the search of explanations for organisational behaviour that included the subjectivity of the social actors. As already stated, at the time, a technical, rational and engineering-biased approach, summed up in the works of Fayol, was dominant in the explanation and practices of Management. In 1926, Mayo began his research work at the Western Electric Co. on the influence of the human factor in the organisational behaviour and performance. William

L. Warner, an anthropologist, who had been influenced by the works of Malinowsky and Radcliffe-Brown, was one of the members of Mayo's team and he was specifically responsible for the observation of the behaviour of the groups at work, one of the aspects for which Mayo's works are valued and known the most. The first results of this research were only published in 1930, and it was not until the mid-forties that its explanations and practical recommendations began to be accepted in the firms. (Eddy and Partridge:1987, 20 - 22).

The theorists of the Human Relations School argue that the members of an organisation are gregarious human beings whose behaviour is guided by their sense of belonging and their need for social acceptance. Both social interaction as well as group affiliation are deemed to be necessary for human satisfaction and, consequently, for the existence of harmony in social relationships at the work place. The analysis focused its attention on groups of people working together and the normative system that arises from the interaction within the group itself. Consequently, they proposed that if an organisation is to be efficient and effective, it is necessary that the normative systems of the groups need to be consistent with the organisational objectives, that is to say, the organisation must have internal cohesion in order to be effective.

From the perspective of the Human Relations School, organisations reflect policies, processes and the like in their structures, as well as the desire to satisfy needs that compels people to work and to belong to organisations. Organisations must adapt their structures and their operation to allow for the satisfaction of the needs of human beings through their sense of belonging to them; if this does not happen, then the disfunctions, conflicts and failures which arise will eventually lead to their extinction. From this process of adjustment, varied organisational forms arise in keeping with the specific needs that are dominant at a given moment of time, at a given place and of given people within the organisation. From this perspective, in the view of some authors, organisations essentially reflect the values,

needs and preferences of their founders and leaders through their goals and strategies. (Schein: 1985: 47)

iv. Culture as an adaptive mechanism.

Within the same organicist paradigm, Radcliffe-Brown defines culture as an adjustment mechanism that human beings develop to organise both their social life and their relationships with the environment. In the structural-functionalist vision, the "function" of culture is broadened from the satisfaction of needs stated by Malinowsky to the ecological adjustment of the group and at the same time it includes the maintenance of the social structures. As a rule, those who adopt this perspective only tend to see those elements that contribute to the maintenance and proper operation of the social systems, whereas they ignore the elements that can lead to disruption, disfunction, conflict and/or anomie that are also present in them.

While in the case of functionalists, culture is a quality at the level of the individuals, in Radcliffe-Brown it is conceived as a quality of the social systems, stemming from the pressures exerted by their own environment. An important contribution of Radcliffe-Brown's structural/functionalist approach was to emphasise the need to state general explanatory principles or laws as an outcome of cultural studies, though it is admitted that he never formulated any principle or law whatsoever that complied with the requirements of scientific prediction and explanation (Harris:1968, 57).

System Theory School.

The theorists of the systems schools, such as , for instance T. Parsons, Ch. Barnyard or W. Bennis, conceptualise organisations as goal-oriented systems, with aims and needs in a dynamic relationship with their environment. Consequently, organisations, insofar as they are functional systems, can not be thought of as having a culture (a cultural system or

subsystem) that could be either different to, or inconsistent with the rest of the elements or subsystems which make up the organisation, and it can neither be very different to nor at odds with the social environment that contains it. As Parsons (1962: 20) states the value system of the organisation "... must by definition be a subvalue system of a higher-order one, since the organisation is always defined as a subsystem of a more comprehensive social system".

According to this vision, organisations are strongly influenced by the values of the social environment that surrounds them, and it is in this relationship of subordination where organisations find those elements enabling them to attain the legitimacy of their goals and activities. Despite what is stated above, the acceptance of the more generalised cultural aspects of society, which each organisation is subordinated to, does not preclude the possibility that a value system, organisational ideology or character specific to each organisation should arise as a function of its particular history and social insertion.

v. Culture as a repertoire of ecologically adaptive behaviours.

Anthropologists, such as L. White and M. Harris, perceive culture as a system of socially acquired patterns of behaviour, that enable the human group to establish links with its ecological environment in a relationship of mutual causative implication. The sociocultural system and the environment are defined in terms of each other, envisaging both elements of the relationship as active agents in modelling the other. The environment does not correspond to a set of factors that limit or facilitate the development of culture, but to the contrary, it plays an active role in giving a sense of direction to the development of culture, which, in turn, exerts influences on the characteristics of the environment.

Marvin Harris (1979: 63) holds the view that culture is "the learned repertoire of thoughts and actions that the members of the group exhibit, a repertoire, the transmission of which from one generation to another is

independent of the genetic inheritance. The cultural repertoires [. ..] contribute to the continuity of the population and their social life. Hence, the need to speak of sociocultural systems that denote the conjunction of a population, a society and a culture, and are a limited organisation of persons, thoughts and activities."

Contingency Theory School.

Among the authors who advocate the Contingency Theory School it is possible to find a closer link between the concepts of anthropological environmentalism and the organisational concepts. The explanation for organisational behaviour, from the standpoint of the Contingency Theory, states that the wide diversity of forms and conducts that can be observed in organisations is in a strict relationship to the processes of ecological adjustment that organisations face. This ecological environment most definitely includes the social and political aspects present in society. Organisations can act so as to modify their environment or they can be "selected" (in the sense of the Darwinist theory) to survive in, or disappear from the system according to ecological dynamics.

From this point of view, culture, at the level of society, is considered to be one of the many contingent factors that exert an influence on the organisational processes and structures, an issue which has been tested through many Transcultural studies discussed when addressing the evolutionist approach in anthropology and organisational theory. As a result of the interaction and interdependency between the organisation and the environment, the characteristics attained by organisations vary according to the extent to which they reflect the culture of the society: for each organisation the contingent value of the culture of the society is different, whilst the other contingent factors can at a given moment be more relevant in modelling the organisational characteristics (Child:1981).

For both the Ecologists and the Contingency theorists, the environment is one of the factors to be considered in explaining the organisational

behaviour, in contrast to the structural/functionalists theorists for whom the values present in the culture in which the organisation is placed come to be determinant in modelling the organisation. Hence, organisations are then perceived as sociocultural systems that can operate with cultural models or subsystems that differ from the general model that prevails in the environment that surrounds them and hence it becomes a subculture within the social system.

b. Culture as a subsystem of symbolic meanings.

Among those theorists that envision culture as a system of symbolic representations there does not exist any consensus, even though the different approximations to the concept do share the basic tenet that culture manifests itself through cognitive process, structures and products. Culture is conceptualised as a dynamic symbolic representation of either the world, a set of functional cognitions or an unconscious structure of the mind. In like manner, culture is to human beings, what software is to hardware in electronic computers, that is, it is the set of control mechanisms (instructions, models, plans, prescriptions, etc.) that guide behaviour. (Geertz:1973, 44)

Even though culture can not be isolated from the products of behaviour, it is regarded as a separate reality, an abstract and conceptual reality, that can be either coherent with the social structures and processes or not. If for the socioculturalists, in the organisational analysis, it is important to determine the quality of the relationship between the organisation, as a sociocultural system, and its environment, it is even more relevant, within this perspective, to identify the content and quality of the relationship between the culture -- as a world-view -- and the structures, processes, objective, goals and results, in a context of restrictions and internal and external pressures acting upon the organisation.

i. Culture as a cognitive system

Culture, as viewed by the so-called Cognitive School or Ethnographic School, is related to a system of knowledge, of abstract standards or patterns that have been learnt so as to perceive, believe in, evaluate and act within reality, shared by the members of a society or specific social interaction system. Culture, in Goodenough's view, corresponds to an abstraction of material phenomena, a set of functional cognitions organised into a system of knowledge containing everything that one has to know and believe in so as to behave in a manner acceptable to the other members of the group, society or organisation one belongs to. Through the process of socialisation/learning, people acquire "... the ways in which people have organised their experiences of the real world so as to give it structure as a phenomenal world of forms, that is, their precepts and concepts" (Goodenough:1971, 28).

Culture and Organisational learning.

The concept of culture, as a system of cognitions, is used, explicitly, by a number of authors when addressing organisational analysis and the theory, as a term which is equivalent to organisational climate, as is the case of D. Denison. This occurs when the organisational climate is defined as the perceptual set of the organisational characteristics, widely shared and relatively stable, that exist across the members of an organisation; its similarity to the concept of culture as a system of knowledge is quite evident. The organisational climate is the perception - a cognitive representation - which individuals have of their own organisational reality, made up from their subjective experience within it, and which serves as a reference model to elaborate adaptive behaviour while, at the same time, it also serves to guide oneself in terms of the stated objectives which the organisation expects its members to attain. Within this perspective of analysis, people, insofar as they are beings able to symbolise reality,

organise their world-view on the basis of what they have perceived and created in contending with reality.

On the other hand, in a varied set of projects on organisational learning and socialisation, organisations are conceptualised as sharing, as such, specific cognitive processes: organisations have shared meanings, cognitive systems and recollections and they develop mental maps, world-views and myths, that fit the organisation's interpretation of reality, enabling it to act and which are assimilated as concepts by all its members. From the perspective of the analysis of organisational learning, organisations are perceived as entities originating from shared cognitive maps, that do not correspond to the mere juxtaposition of individual representations (Argyris and Schon:1978, 16 -17). The organisation is an abstract reality that originates from the individual representation of the organisations; these representations are encoded into organisational maps that correspond to shared descriptions of the organisation that individuals develop and use as guides to their performance. (Pitre and Sims, jr.: 1987, 340 -347)

Along this same line of ideas, some authors suggest the notion of the existence of organisational codes by means of which the organisation acquires a specific identity or character while, at the same time, the individuals that participate in it have a source of useful information to guide their behaviour (Journal of Management Studies, 1982). These forms of being and doing, which the organisation develops, are defined as part of the irreducible assets of the organisation; they should be internalised by the members so as to allow for the existence of some degree of uniformity and predictability of individual behaviour. Due to the reinforcement processes, these ways of being and doing become a model that is difficult to be modified, even when it has reached a state of obsolescence (Arrow:1979, 55-58).

ii. Culture as a system of mental products.

From the perspective of the Structuralist school, the social phenomena are nothing but objectified systems of ideas used by the mind to build its own interpretations, and consequently, if as Levi-Strauss says "the ethnology is, first of all, a psychology", then what research on culture must attempt to do is to discover the fundamental mental processes and structures, that is, the logical construction of the explanations. From the standpoint of the structuralists, culture is made up of shared symbolic systems that are the cumulative result of the activity of the mind, a reflection of the unconscious mental processes that underlie cultural manifestations. Culture, according to Levi-Strauss is a system of unconscious representation and explanation that empirical research should allow us to formulate by resorting to processes of inference and deduction. The cultural diversity of behaviours and artefacts is the outcome of transformations or permutations of similar logical processes and structures. Levi-Strauss (1968)

These common features, according to Levi-Strauss, would be found at the level of the unconscious, immanent structures and never at the level of manifest acts. These universals are to be sought in the processes and structure of the mind; consequently, the products and cultural artefacts, extraordinarily variable in their tangible manifestations ought to be considered as indications of the presence of the unconscious of mankind. (Levi-Strauss, 1968)

Theorists and researchers of organisational behaviour, as H. Mintzberg and R. de Bono, implicitly assume that the organisational and administrative concepts and theories that they propose are applicable *urbi et orbe*. Furthermore, some of them conclude that certain organisational processes, structures, designs, relationships between these elements and the environment, are universal. However, the basis for this universality has not been articulated as yet, nor has it been demonstrated either.

iii Culture as a whole of standardised cognitive processes.

In Wallace's culture is an instrumental cognitive system, stemming from a standardised set of cognitive processes, which allows for the mutual prediction of behaviour (comparable to the concept of social action in Weber), which enables individuals with different motivations and cognitive patterns to participate co-operatively in a group. Culture originates from normative regulations, implicitly and gradually developed within groups so as to attain individual interests and purposes, established through the efforts of the individuals to create cognitive structures that organise the multiplicity of perceptions and individual knowledge oriented to attain objectives and goals that are not shared. (Wallace:1970) rules out the need for the existence of common goals and needs, of shared perceptions, beliefs and meanings, except for a limited set of cognitions which help to support and predict mutual behaviour.

Weick, Barnyard, Etzioni, Selznick, Ouchi.

Writers on organisational theory, as for instance Weick and others, link the mutual forecast structures with the notion of collective structures and hence generate a radically different vision of the organisational culture. Collective structures originate from the continual cycle of interrelated behaviours, and the individuals are involved in the construction of these collective structures, not in the attainment of common goals, because this would run counter with their personal goals and interests¹⁶. The members of a system of interaction devote only a part of their behaviour to attain these structures and hence the degree of commitment and involvement can vary in intensity through time to the point that more than one behaviour is devoted to develop these collective structures if their preservation is critical in terms of achieving and fulfilling their own interests.

¹⁶ The conceptual similarity of this approach to that of Flores, F. (1990) is striking.

From this perspective, organisations become the point of intersection of individual interests, a sphere where individual drives coexist with organisational behaviours. The organisations are means through which people can achieve their multiple and varied goals. To understand something as “organisational culture” within this context involves identifying the system of existing relationships between individual cognitions and motivations, the deliberate effort to preserve and maintain the organisation, which corresponds to the model for predicting mutual behaviours.

iv. Culture as a system of shared meanings and symbols

For those who study the semiology of culture, it must be perceived as a meaning and thought that is shared by social actors and not as something in the minds of people. As Geertz (1973: 5) puts it “Man is an animal suspended in webs of significance he himself has spun; I take culture to be those web”. Those symbolic meanings, or products of the mind, are the material pillars for the interpretation of the system of meanings in terms of which the social interaction takes place. Geertz (1973: 145) conceives culture as “... the fabric of meaning in terms of which human beings interpret their experience and guide their action”. The concept of culture proposed by semiologists is a concept whose roots can be found in the separation of the cultural system from the social reality proposed in the Theory of the Social Action Parsons.

Pettigrew; Harrison; Handy, Ch.; Smircich; Morgan, G.; Waterman y Peters.

^ From the perspective of these authors, organisations, as an outcome of their origin, history, sociocultural context, technology and leadership, can generate and support a system of symbolic meanings, that is widely shared by their members and contributes to rationalise their commitment with the organisation. This system can be peculiar to the organisation and define its particular and unique character. The organisational character is first and

foremost an historical product that reflects the success of current and past leadership in guiding the organisation to attain its competitive position in the market.

Conclusions.

نتیجہ کنکلیون

Finally, the conclusion deriving from this theoretical review enables us to establish that there are different approaches to the concept of culture, both in basic social disciplines as well as in organisational analysis. A general overview as the one submitted here may give the impression of a great diversity and conceptual disarray. However, if the information is addressed from another perspective, the seeming disorder acquires sense. This view may be summed up as follows:

One Term and Many Different Objects

The problem of defining what is designated as culture in a precise manner goes back in time to C. Kluckhohn y A. Kroeber's work, which has been mentioned earlier. If we resort to the criteria of the levels of analysis or level of the object, we discover that, at least, the term culture is used at three different levels

شخصیات کے لیے استعمال

a. To denote a quality or characteristic of Mankind.

بعض لوگوں کے لیے

b. To designate a characteristic of a set of individuals.

c. To indicate some individual processes and qualities which are the outcome of the presence of, and interaction with others.

Kluckhohn himself furnishes the elements that enable us, at least in part, to understand this diversity when he states that "every man is in certain respects (a) like all other men, (b) like some other men, (c) like no other man". (Kluckhohn Kelly:1948, 35) This seemingly contradictory judgement is not at all conflicting, providing that the terms are examined at an adequate level of analysis. By definition, all human beings have in

common some known set of traits and qualities that enable us to classify them in the same category. From the standpoint of culture, all human social systems have some mechanism of social origin that enables them to regulate their internal operation and their relationships with their environment. That mechanism or model is the culture, that which seems to be a human-specific element.

دوره سبب و اثر

Culture Human groups and societies have peculiar characteristics that allow us to recognise and to identify them as units different to other similar social units. They have traits and qualities that give them certain identity, and these traits are easily recognisable through the simple and direct experience of visiting a group or society that is different to ones own group or society. That set of features, system or pattern that bestows a specific character to societies and groups is the culture. Individuals have behaviours that are specific to them, they adopt ways of doing things and ways of being that make them different and unique in time and space. That which makes each person unique, within a recognisable pattern that is shared by others, corresponds to the culture which each individual has been able to internalise by means of his/her social experience.

The concept of culture as used in Anthropology does not deny the importance of other factors or variables in the explanation of behaviour. However, it emphasises that the specific content of the other variables and aspects that model behaviour acquire a value or meaning granted by the culture in each place and at each particular time. For example, cultural analysis, as regards the assumption that human beings live in a world of scarcity which has a bearing on human needs, argues that this holds true for all societies, groups and individuals. However, to be able to understand the particular behaviour of a group, society or individual it is necessary to know the specific meaning that scarcity and needs come to have for that society, group or individual. That meaning is defined by the culture.

CULTURE AS:	A substrate of all social behaviours and their consequences.	A subsystem of symbolic representations related to other elements of social behaviour.
Characteristic of Mankind	Evolutionism: E. Tylor.	Structuralism: C. Levi-Strauss
Characteristic of the behaviour of the group	Historicism: F. Boas; M. Mead; R. Benedict. Structuralism/functionalism, E. B. Radcliffe - Brown. Ecology: M. Harris.	Cognitivism: W. Goodenough.
Characteristic of individual psychological processes	Functionalism: B. Malinowsky	Semiology and Symbolism: C. Geertz

We can assume that firms, insofar as they are organisations whose purpose is to produce and/or to distribute goods and/or services to the members of a community, seek ways of doing it in the most optimal and beneficial manner for all the participants in the system. But what is optimal and beneficial, as well as the definition of the participants of the system, have particular contents that we have to discover in order to be able to elaborate useful explanations, which enable us to develop technologies that make it possible to improve the operation of the organisations.

The cultural analysis of organisations operates, depending on the theoretical perspective adopted, across the same logical levels: as a quality of mankind, as a feature of a group of individuals acting as a whole and as a trait of individual processes that are the product of the situation of interaction. (Alvesson and Berg:1992, 55). It is possible to carry out a cultural analysis at an organisational level and at different logical levels, if and only if, the level at which the descriptions and explanations are made is not confused. However, unfortunately, this is not always so in the literature on Organisational and Management Theory.

We think that, at the level of mankind, the phenomenon of organisational culture can be understood as the complex system of representations, capacities and learned abilities, enabling us to solve the problem of satisfying our needs, expectations, objectives, etc., through interaction and

mutual social connection. At the level of the group, it is possible to define organisational culture as a system of representations, capacities and abilities, shared by a group of individuals so as to achieve their objectives and goals, acting collectively within the framework of their specific society. Finally, at the level of the individual, organisational culture is the set of representations, perceptions and meanings that people have, insofar as they are members of a particular organisation, which serves to guide their behaviour and to interpret the behaviour of the others member in their attempts to obtain specific objectives and results.

Culture in the analysis of Organisational Behaviour	Substrate of the behaviours and their consequences	System of symbolic representation related to other behaviours
Phenomenon of Mankind	Comparative Management: S. Davis	H. Mintzberg.
Group Phenomenon	A. Chandler; System Theory school; Contingency Theory School.	Organisational climate theorists; E. Schein
Expression of the individuals	Human Relations School: D. McGregor	W. Ouchi; Ch. Handy; G. Morgan.

Contents of the culture or empirical referents of the culture.

On the other hand, the term culture is used to denote an entity that embodies many different things, which are also classified under the same word:

- a. **Material culture:** it includes all the material things that have been purposefully modified by man so that they might be useful for a given purpose, and which, obviously, embraces all manufactured goods;
- b. **Ideal Culture:** that comprises two classes of entities, namely, the set of mental, symbolic and abstract processes that take place within a human group, which a given recurrent pattern is attached to and originating from collective life; and additionally, the set of definitions of what is desirable that is shared by a social group;

c. Set of Patterns that regulate Social Interaction: the content of the roles and social positions, rituals, ceremonies, etc.

In the view of some theorists, these elements are the contents of the culture. For others, they are only the empirical referents through which culture expresses itself, which is inferred from them. Owing to their greater complexity, each current of thought only considers parts of these elements in terms of one interpretation or another

The mental map of the observer and the mental map of the observed.

.Culture is what is said about culture; it corresponds to the representations and explanations stated by the observer of the behaviour of a group, the etic perspective, and what the bearers of the culture themselves say about it, the emic perspective. The emic descriptive or explanatory statements regarding the culture expect that, in ultimate analysis, the bearer of the culture is the final judge as regards their correspondence with the reality. In other words, an analysis or emic description of the culture makes sense (or it should make it) for those members, being probed, of the social system under observation.

To carry out a research of this type, it is essential to identify the categories, rules and contents that are necessary in order to be able to act and think as a member of the system of interaction: a rigorous and exacting ethnography is needed. An etic approach to the culture describes and explains the behaviour of the group under observation within the frame of the terms and categories of the observer, which will not always make sense to the bearers of the culture under analysis. The value of these descriptions and explanations is to be found in their capacity to generate serviceable theories, from the scientific point of view, in relation to the reasons for the sociocultural similarities and differences. An equilibrium between an etic and an emic approach would seem to be the most suitable one to analyse the culture, because then the explanation would include the

entire set of categories and meanings of the bearers of the culture, while at the same time it would reflect those of the observer.

Briefly stated, the cultural phenomenon is multiple and it is possible to grasp it at different levels of analysis. The analysis and description of the culture must be based on the material and symbolic elements and on the empirically observable patterns of social interaction; however, the culture does not correspond to the above elements but to the model that gives it a meaning and coherence, both for the observer as well as for the bearer of the culture.

On the basis of the many different ways to conceptualise culture, in the domain of social sciences as well as management, different models have been generated to analyse and explain organisational behaviour. These different models correspond to what has been called theories of organisational culture. These theories will be reviewed in the next chapter, with the description hinging on those authors who are landmarks in the development of cultural analysis of organisational behaviour.

Chapter Three:

Theories And Models On Organisational Culture.

In the preceding chapter, we analysed the concept of culture in the light of the opinions and contributions of a number of authors and specialists, and became acquainted with the different aspects and outlooks involved in an explanation of the cultural phenomenon. In this chapter, we will address some of the theoretical explanations regarding culture in the organisational setting, especially in what respects firms, so as to define a conceptual framework, that will allow us to do research work on this phenomenon in Chilean reality.

Under the influence which the viewpoints developed in the field of the theory of culture have exerted on the analysis of organisational behaviour, models or theories of organisational culture have been put forth in this area, based on some agreements regarding the meaning, content and influence from and to organisational culture.

subject in the organisational culture

Organisational culture can be defined as those elements underlying the unique set of characteristics that enable us to distinguish one organisation from another; it also tells us how the people in the organisation should behave by establishing a system of procedures and values; it is transmitted from one generation to another, from one member to another by means of a socialisation / learning process (or enculturation) that includes, among others, rites, ceremonies, myths, legends and actions of reinforcement and punishment. The existence of an organisational culture allows people to perceive the organisations as possessing some unique characteristics, that are similar to the characteristics of the personality at the level of an individual and which are relatively stable in time.

Organisational culture is generated within the organisation, as one of the mechanisms enabling it to face its environment with some degree of adaptive success. However, once the culture has been established, it tends to become fixed, and this can be a roadblock in adjusting to the changes taking place in the environment.

An overall review of the literature on organisational culture allows us to state that there are leaders in relation to the opinions put forth in the analysis of the culture of organisations. However, in the case of the observed agreements, there are different approximations to organise and interpret the information obtained from the observation of organisational behaviour. These explanations are not always sufficiently undiluted so as to identify them with some particular school of thought in the theory of culture. A greater part of the studies begin by defining the concept of culture, but then they wind up collecting points of view and rendering explanations that are not always consistent with the point of departure.

As stated by Alvesson and Berg (1992, page 95) "*many, or even all concrete studies, fall into different categories. Many studies wind up half way between two (theoretical) orientations or are associated with several different categorised perspectives*". These authors are the most frequently cited ones, their models are discussed the most and applied with greater frequency to the empirical study of organisational behaviour. In this connection and due to their importance, we will describe some of the central elements of the positions or theoretical models of Schein, Deal and Kennedy, Waterman and Peters, Handy, Denison and Ansoff.

1. The shared assumptions and the alternatives of behaviour: E. Schein.

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Schein, whose work has been considered as one of the most serious attempts to understand and integrate the studies on organisational culture, purports that organisational culture ^{في جميع المجالات} "is ubiquitous. It covers all areas of group life" (Schein:1985, page 10); it includes many levels of reality, encompassing from the artefacts or material culture of the organisation to the underlying, unconscious assumptions that are shared by the members of the organisation. As far as we see it, the extremely heterodox positions adopted by Schein emphasise the need to restrict the concept of organisational culture to the domain of the deepest assumptions underlying behaviour, and which are expressed at the more concrete and observable levels, as is the case of technology, organisational structures and systems, etc.

Within the frame of his approach, culture is defined as "*a pattern of basic assumptions -- invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration -- that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems*" (Schein:1985, page 9). Accordingly, cultural research in the organisations must lead to a knowledge of "... *the deeper level of basic assumptions and beliefs that are shared by members of an organisation, that operate unconsciously, and that define in a basic taken-for-granted fashion an organisation's view of itself and its environment.*" (Schein:1985, page 6).

¹⁷ The ideas developed in this section are those forwarded by Schein (1985). The main ideas and explanations are also discussed, with very few changes in the concepts and arguments, in the articles published by the author between the years 1982 and 1992. Schein's theoretical positions can be classified within the framework of the functionalist/structuralist school, even though he has borrowed many arguments originating from other schools of thought.

The basic assumptions and beliefs addressed by Schein are:

a) The assumptions on the activity of people within the organisation that correspond to the definition of the priority given by people -- when carrying out their activities -- between directing their efforts either to attain the organisational objectives, tasks and goals, or otherwise, to develop interpersonal relationships that satisfy their individual psychological motivations. That the behaviour of people is task oriented suggests that if a person begins to interact with another within the context of the organisation, it is necessary to explicitly state what is to be accomplished by each one, as well as when, where and how the tasks are going to be carried out. On the other hand, the fact that behaviour is oriented to interpersonal relationships denotes that people will interact with others by providing socio-emotional support, "*psychological caresses*" and by facilitating their efforts of personal growth and development.

b) The assumptions underlying interpersonal relationships. Schein adopts this distinction from the work on values and value orientations conducted by Kluckhohn and Strodtbeck (1961) and who establish that these assumptions underlying interpersonal relationships play an important role in modelling them. The proposal is put forth to study them by structuring them in terms of five polarities, namely, (i) emotionally charged or emotionally neutral, (ii) diffuse or specific, (iii) universalistic or particularistic, (iv) ascription or achievement oriented, and (v) self- or collectively oriented (Schein:1985, 85-111). The greater relevance that each individual or group attaches to the different polarities makes it possible to explain the variability of the types of relationship established among the individuals in different cultural and social settings. Furthermore, it establishes that the greater relative importance that individuals or groups attach to one or another aspect of the polarities is not independent from the cultural system prevailing in each society, where individual or group choices are then restricted to

the scope of what is acceptable within the context of the culture of the society that a person belongs to¹⁸.

(i) emotionally charged / emotionally neutral polarities describe the situation when people establish social contacts with other people and should opt between becoming emotionally involved or keeping at an emotional distance.

(ii) particularistic / universalistic polarities correspond to the distinction that the persons make between establishing a relationship by applying the same criteria of evaluation for all the people having similar roles and positions within the system of interaction and by establishing a relationship where they resort to specific criteria, recognising that there exist specific conditions and characteristics affecting the behaviour of each individual.

2' *بررسی*

(iii) ascription or achievement oriented polarities are related to the decision that each social actor makes in establishing a relationship, on whether he gives recognition or not to the other individual, in terms of any one of his many multiple material or psychological forms, as a function of his performance or of individual-specific characteristics, such as, gender, race, family origin, etc.

(iv) self- or collectively oriented polarities imply that people, on becoming involved in any interaction, decide between either attempting to fulfil their own personal interests and objectives or else to accomplish the objectives and goals of the group which they belong to.

(v) diffuse or specific polarities correspond to the interaction involving two or more social actors, people or groups and which is entered into in order to achieve specific purposes or else to achieve a multiplicity of purposes that are not always clearly defined, that is, when a person

¹⁸ In this sense it is consistent with the results obtained in the projects on culture and psychology discussed in depth by Triandis (1980).

enters into any interaction, he learns which is the defined social standard in this respect and he decides between relating in a diffuse or specific manner.

(c) The assumption concerning the relevant environment and the relationships established within it. Of the environment pertaining to an organisation, group or individual, only some elements are selected and they become the object of orientation for their behaviour. Each social actor discerns and specifies hierarchies and arranges the elements of his environment in terms of either the success or failure experienced in his attempt to attain his objective. These criteria are transmitted from one generation to the other by means of the socialisation process of the new members.

(d) The assumptions underlying the criteria used in the decision-making process. One of the most important actions within an organisation that is geared to attaining results is an active decision-making process. On a daily basis, people must decide, at least, either between following a specific course of action that modifies the situation or else in allowing the situation to follow its natural course and subordinate themselves to the outcome. In order to make decisions people resort to some criteria that reduce, at least subjectively, the uncertainty of the results, and to do so they make some assumptions with respect to the criteria that ensure more "truth" and "reality" to the judgements and explanations offered for the situation which they are involved in. Within this context of ideas, Schein rekindles the distinction forwarded by Hofstede (1980) in the analysis of culture: the scale morality-pragmatism. It has been ascertained that managers in different cultures tend to be either pragmatic, that is to say, they attempt to validate decisions on the basis of their own past experience, or to be moralistic, that is to say, they seek to validate their decisions on the basis of either a general philosophy, a moral system or tradition. These dimensions emphasise the grounds on which truth is determined and at the same time they are

related to the management of uncertainty and the tolerance to ambiguity.

(e)The assumptions underlying the concepts of time and space. Each cultural group has some type of assumption regarding the nature of time, which can be either monochronic or polychronic; it also has a basic guideline that emphasises the importance of giving due consideration to the past, the present or the future in the decisions that are being arrived at; and finally, it measures time in specific units.

Monochronic time resembles a linear tape that can be divided infinitely into different parts; within each part or time unit, however, it is possible to perform only one class of activity. In other words, if more than one thing has to be done during the time span of an hour, then the hour is divided into as many units as are needed and then each thing is performed, one after the other. Time is a commodity than can be valued and that can be lost, that can be spent in a useful way or wasted, but once a time unit is over, it has gone forever. The assumptions underlying monochronic time have implications with respect to how space is organised. If an interview is going to be conducted, spatial facilities -- desks, offices and adequate conditions of privacy -- are needed to perform them, since monochronic time has an efficiency constraint, it must be used effectively; time, as stated earlier, can be wasted, saved or used efficiently; and its efficient use calls for a type of space that reduces the time wasted to a minimum.

Time as something "polychronic" is a class of space defined more by what is done than by the clock itself and within which many things can be done simultaneously. The assumptions underlying polychronic time calls for open areas, easy access and comfort to extend the periods of contact as much as possible. Polychronic time is effective when it comes to develop relationships and to solve complex problems where the information is widely disseminated and communication is highly

interactive so that all the channels have to be kept open at any time. Polychronic time is the most frequent definition in the first stages of an organisation, and also for the smallest organisations. Privacy in this situation is achieved through proximity and the smoothness of the voice, without having to withdraw to closed-in areas.

Another dimension of time in which the members of a group need consensus, is related to the measurement of the relevant time units with respect to definite tasks. We measure and plan activities in terms of years, months, days, hours, minutes or seconds. When can we say or consider that something is just on time? Which is the temporal horizon in which actions are thought of routinely: days, months or years?

The other important dimension to keep in mind is the orientation with respect to the changes in time and hence it has been ascertained that some cultures are predominantly determined by the past (traditional China), some are determined by the present (Latin American) and there are still others that are determined by the immediate future (United States).

(f) The assumptions on the nature of human activity. These assumptions define what actions performed by human beings are correct or not by a reference to assumptions about reality, the environment and human nature: To be active, passive, self-experimental, fatalist, etc. The groups make different assumptions on how to act and they reflect their assumptions on human nature and with respect to the fundamental relationships of the group to the environment:

- At one end of the continuum, we would have a "Realistic Orientation" that is intimately related to: (1) The assumption that human nature can be controlled and manipulated, (2) a pragmatic attitude towards the nature of reality, and, (3) a belief in human perfectibility.
- At the other extreme of the continuum, we would have the "Existential

Orientation", which assumes that Nature is powerful and that Mankind is subordinated to it. This orientation involves a type of fatalism. As reality can not be modified, people simply accept and enjoy what they have. The latter has an orientation that is focused more on the here and the now, on individual enjoyment and on the acceptance of whatever may come.

- Another possibility would be the "Self-Actualising Orientation" in which case individuals, by exerting control over such things as feelings and bodily functions, can attain self-control to obtain an harmonious relationship with nature. This orientation emphasises self-actualisation and self-realisation, in order to fully develop the individual's potential as a person. The central element hinges more on what the person really is, rather than on what he can actually do or achieve. This orientation emphasises any kind of activity which is aimed at the development of all aspects of the identity as an integral and integrating whole. This aspect of Schein's train of thought shows evident similarities with Handy's (1978) standpoint.

And last, but not the least important and, in all likelihood, the most difficult thing to accomplish within the frame of Schein's proposal, is that cultural analysis in the organisation has to find a way to organise these assumptions in coherent models, which he calls paradigms. Schein states that it is possible to recognise both the assumptions and orientations underlying an organisation by observing the characteristics and practices that are abided by within it.

In one of his writings, Schein (1978) develops a preliminary elaboration of these ideas and on the construction of paradigms, by basing himself on the work of Kluckhohn and Strodtbeck (1961) mentioned earlier. By way of example of what should make the construction of these paradigms possible, and as a possible suggestion of a road leading to their discovery or formulation, he suggests a relationship between what

would correspond to the assumptions described and the organisational characteristics and practices as they are shown in the Table that follows:

Value Orientations, organisational characteristics and practices.

Value Orientation. (> = more dominant than)	Organisational Characteristics.	Organisational Practices.
human nature: good > bad	Emphasis on autonomy and motivation of the subordinates (Mc Gregor's Y Theory)	Participation of the subordinates in setting goals: work enrichment.
Relationships with the environment: domination > subordination	Policy of innovation and development of individual specialisation	Administrative support to new activities: constructive exercise of strategic choices that includes active negotiation of the limiting conditions with external groups.
temporal orientation: future > past	Strategic Emphasis and long term planning: formal systems of organisational training and career planning.	M.B.O. and R. rather than budgetary control; human resources planning and evaluation centre.
Orientation of the activity: to be > to do	Philosophy of Human Relationships; emphasis on the interpersonal sensitivity; interest in social aspects as well as technical and financial aspects in organising work-load.	Style of Management is more important than the organisational design; the morale and occupational satisfaction are included in performance evaluations.
Interpersonal relationships: individual > hierarchies	Minimisation of hierarchies; emphasis on delegation and participation; monitoring performance and attainments by defining roles.	Benefits are not differentiated in terms of status; personnel oriented directly to client without prior consultation with their supervisor and/or manager.

Source: E. Schein (1978).

In a subsequent elaboration, Schein (1990) builds two new criteria into the model: Homogeneity versus diversity and the nature of reality versus truth. Through the measurement of the latter parameters he proposes to attempt to recognise which paradigms actually exist within the organisation. From his standpoint, each organisation would develop its own paradigm, which is elaborated on the basis of the search that each organisation makes when facing the challenge of internal and external adjustments (Schein:1985, 52-56).

However, he also recognises that the empirical evidence shows that not all assumptions are either mutually compatible or consistent with respect to each other. Confronted with this fact and without giving up his functionalist assumptions regarding the existence of a cognitive

drive compelling the human brain to order and consistency, he proposes to interpret the inconsistency and lack of order as a diagnosis of the fact that an either immature culture or a conflict among many different cultures is being dealt with.

Finally, from the perspective adopted by Schein, culture manifests itself primarily through the following: (1) what can be evaluated and controlled within the organisation; (2) the changes that occur in the organisation as a response to crises or to alterations in the environment; (3) what is shown and taught to new members; (4) the system of rewards and punishments that is used in the organisation; and, the criteria for recruiting, retaining and dismissing people.

To sum up, Schein posits that organisational culture is based on the shared assumptions which are established between the organisation and its setting, as well within the organisation. He further states that such culture is learnt by the members of the organisations and is diffused through processes of socialisation, which make its maintenance and reinforcement possible.

2. Decision making, feedback and risk: T. A. Deal and A. A. Kennedy.¹⁹

The work of Deal and Kennedy (1982) can not be considered a theory on organisational culture, and not even a model of it, but its popularity compels us to emphasise the elements that stem from their work in order to develop a better understanding of the cultural phenomenon within organisations. In ultimate analysis, their proposal can be evaluated as a typology, a guideline that would serve to identify some patterns and standards of behaviour, while at the same time it could be of use as a normative model for managers.

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Deal and Kennedy carried out their research to become acquainted with the factors that lead to identifying the determinants of organisational

culture in about 80 North American companies which included well known enterprises such as 3M, Procter & Gamble, Du Pont, General Electric; among others. Their conclusions show that, in the long term, the successful companies are the ones that believe in something and in which this belief or beliefs are present throughout the entire organisation, that is to say, they have been communicated to and understood by the organisation as a whole. Consequently, to achieve success as an organisation, it is necessary to develop mechanisms enabling the firm to compensate workers for their ascription to the central aspects of the culture and for the way in which these are sustained and reinforced over time. To sum up, they conclude that people who work hard in order to develop and build successful companies, will invariably devote significant efforts to create robust cultures within their organisations.

Deal and Kennedy identify five interrelated key elements that would be determinant of the culture of an organisation:

- i. The environment and the key factors to success. This is related to what organisations have to do well, if they expect to become meaningful competitors with respect to the conditions that are prevalent in the market in which they operate.
- ii. The values of the leader. The values that, whoever exerts leadership, be it an individual or a group, deem to be important and wish to see them adopted by the organisation. Values define which aspects of organisational behaviour are going to be judged to be the key factors to success -- those aspects which the company feels that their competitive advantages are to be found in -- and the use of payment systems that reinforce those behaviours that are linked to the factors of success.

¹⁹ Deal and Kennedy's are described extensively in their book *Corporate Culture*.

iii. The visionaries or heroes that create the culture. They are represented by innovators, either in terms of products or services, by those who build the appropriate quality into the product, by the people who involve themselves in creative marketing that devise the slogan that puts the product or the brand into the minds of all people.

iv. The model of behaviour which the culture manifests itself through. There are a diversity of ways whereby this may come to happen. By way of an example, it is possible to mention the conditions under which workers help each other when there are difficulties, the way in which sales people work with the clients and the care and attention exerted in performing the productive process. Also the daily routines and systematic programmes -- rituals -- that are a part and parcel of the daily life of the organisation must be considered here.

v. The system of communications. It addresses those systems which the organisational culture hinges on and which also determine how the personnel is to be rewarded.

According to these authors, culture is something that all organisations have, though they do not establish how it is related to the other components of the organisation as a system. This constraint in the proposal forwarded by Deal and Kennedy makes it possible that through its application only some descriptions can be useful, but it does make it possible to establish causal relations.

On the basis of the elements identified as determinants of the culture, they propose a modelling of organisational cultures in categories that arise from the application, to the analysis of organisational behaviour, of two characteristics related to the market: the risk associated with the activities of the companies and the time that the company must wait in order to obtain feedback from the environment so as to know how good or poor their decisions were.

They propose a classification of organisational cultures into four categories: The Macho/ the Tough Guy culture, Bet Your Company Culture, the Work Hard / Play Hard culture, and the Process culture.

Where:

(a) The "Tough Guy or Macho" culture corresponds to those organisations where individualism is at large and the organisational activities are associated with high risks and the feedback is obtained quickly, e.g., the Stock Exchange, money desks.

(b) The "Bet Your Company" culture corresponds to those organisations where the decisions involve great risks and there is a long waiting period before they get to know if their decisions were correct or erroneous, e.g., mining companies, forestry, hydroelectric generation.

(c) The "Work Hard / Play Hard" culture corresponds to those organisations where the driving force is to get things done, associated with low levels of risk and a quick feedback. A well-known example are the companies of the McDonald type.

d) The "Process" culture corresponds to those organisations where both the risk and the feedback are practically null or non-existent. Good examples of this kind of organisational culture are the Accounting Department in large concerns, the State Departments, Education for instance, and the Universities.

Types of Culture		Risk	
		High	Low
Feedback	Fast	The "Tough guy / Macho" Culture	The "Work Hard / Play Hard" Culture
	Slow	The "Bet your Company" Culture	The "Process" Culture

In addition, they propose classifying cultures as either strong or weak. When the culture is strong, the people know what is expected of them and they understand how they must act and make decisions in specific

circumstances, (the individuals can tell what problems are important). When the culture is weak, time can be spent in attempting to decide what could be done and how. If a culture is strong, it means that there exist within the organisation a significant number of assumptions that are widely shared and that their hierarchy, in terms of their priority, is clear for most of the participants within the organisation. It is a serviceable model for descriptive purposes, though limited in its scope in terms of understanding and explaining the organisational culture and its relationship with organisational structures, processes and results.

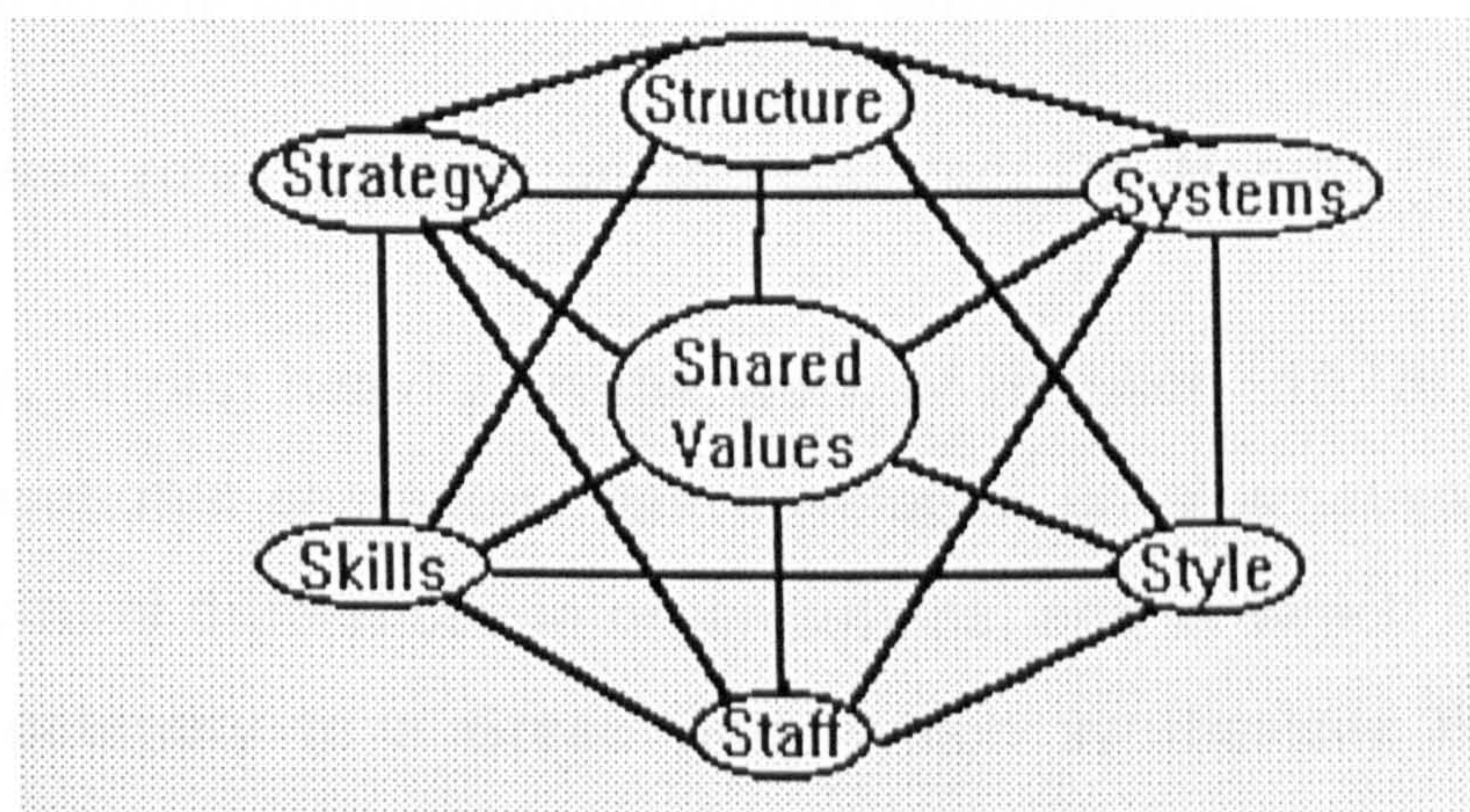
To sum up, Deal and Kennedy point out that the beliefs that are shared within the organisation as regards the risks that are taken and the confirmation of results obtained at some future time, determine the behaviour of the organisation and the people working there.

3. Shared values and assumptions: R. H. Waterman And T. J. Peters. ²⁰

This is perhaps the most popular and seminal model within the frame of the studies on the organisational culture in Organisational and Administrative Theory over the last decades. The book "In Search for Excellence" (Waterman and Peters:1982) perhaps has to be considered the greatest best seller, the most praised and, at the same time, the most criticised one in the last 20 years in the area of Organisational and Administrative Theory. Within the frame of the work conducted in the consulting company of McKinley and Co., in the U.S.A., a team of specialists on organisational behaviour developed a model, designated as the "7's model", where the elements, deemed to be structural to the model, all had a name which began with the letter 's': strategy, systems, style, staff, skills, structure and shared values (or superordinate goals).

²⁰ Waterman and Peters book In Search for Excellence, 1982, offers the main ideas and arguments of the authors.

Even though the authors do not devote any special attention to the phenomenon of organisational culture, the latter is clearly explicit in the treatment of shared values as the central core that articulates the entire organisational edifice. Even though they never render a definition of organisational culture in any part whatsoever of the book, it is possible to perceive that from their standpoint they restrict the scope of the concept to shared values, shared meanings, guiding principles, basic beliefs, etc., terms which are used as synonyms throughout their work.



They propose a central role for shared values, in the sense that the "hard" elements - structure, strategy and systems - and the "soft" elements - staff, style, and skills - adjust themselves, the ones with the others, as a function of the content of the shared values: Strategy involves either the informal or formal plans that organisations have in order to distribute the resources available in the process of attaining the goals that they set for themselves; Structure entails that which is reflected in the organisation chart; Systems correspond to the standing procedures and routines that are resorted to in the organisation; Staff stands for the set of characteristics which pertain to the personnel of the organisation; Skills are the capacities, abilities and core competencies that the key members of the organisation have; Style denotes the characteristic manner of exerting power and authority in the

organisation. ²¹ They purport that an organisation will have a high performance -- that is, it will be a company endowed with excellence -- if it has a strong set of shared values where the other elements mentioned combine harmoniously with them.

Summing up, for Waterman and Peters organisational culture is restricted to the existence of shared values which may govern the organisation and to the clarity which the members have in this regard. The remaining elements are subordinated to such values, which are central to any understanding of the organisation.

4. Power, role, task and person cultures: Ch. Handy. ²²

Handy, relying heavily on the work of Harrison (1972) in relation to the organisational character, has developed an alternative classification of the cultural differences in organisations, and in which he has associated each category to a Greek God, which synthesises the spirit of each category. Accordingly, organisations oriented in terms of exerting power correspond to the Club or Zeus Culture. Those organisations which are oriented in terms of abiding by norms, complying with the procedures or playing roles belong to the Role or Apollo Culture. Organisations that are oriented in terms of either finding solutions to problems, attaining organisational goals or contending with challenges are within the frame of the Task or Athena Culture. Finally, those organisations that devote their best efforts to the development and growth of their members, insofar as they are people, fall within the Existential or Dionysus Culture.

The Club culture (Zeus)	The Role culture (Apollo)
The Task Culture (Athena)	The Existential culture (Dionysus)

²¹ The distinction between soft and hard was introduced in organisational analysis by Athos and Pascale, 1981, *The Art of Japanese Management*

²² The ideas put forth by Handy have been taken from his books *Gods of Management and Understanding Organisations*.

a.- **The Club Culture:** The organisations in which there exists a "culture of power" would correspond, to put it in Weberian terms, to an organisation built under an authoritarian leadership pattern, and a diagram of the structure of the organisation will depict it as a structured and hierarchic entity under its maximum authority (Weber, 1982). In this kind of organisation it is frequent to come across a great number of sub-units, such as sales, production, finance, personnel departments, and the like, It is quite likely that, if its size allows it, there will also be divisions based on products or strategic economic units.

Handy represents these functions or departments by resorting to lines irradiating from the centre, with an additional set of concentric lines which stand for the lines of communication and power within the organisation. Decisions in this sort of organisational system are taken quickly, but their quality depends on the abilities of the persons wielding the most power. The decisions are based on the assumption of a great empathy for, affinity with and confidence in -- all of these attitudes being taken for granted -- the company, the suppliers, clients and other key influences. The workers are paid according to their performance and in terms of not only their effort, but also their acquiescence to those essential values held by their leaders. It is common to come across this organisational culture in small companies.

b.- **The Role Culture:** The model of the Role culture leads one to think that the organisations tend to be built around rules and procedures defined in informal, general and non- personalised terms in relation to the work to be done, which is a very apt description of a bureaucracy in the Weberian sense. It is assumed that the people which the organisation requires should be screened and hired by resorting to objective technical procedures, because they have the competencies and characteristics needed to efficiently perform the duties their job calls for.

A stable and predictable organisational behaviour is sought and attained by means of logical and rational methods and procedures, that become the core of organisational endeavour. The design of structures, the formulation of job descriptions, the rationalisation of tasks, among other activities tend to be a part of the everyday on-the-job priorities for the members of the organisation.

The organisational edifice rests on the confidence placed by (or ascribed by) the subordinates on their leaders, from whom guidance, co-ordination and a sense of projection to the future is expected. It is considered that the power and the decisions are at the apex of the organisational pyramid. Thus, the success as well as the failure in the organisational effort is attributed to the capacity of the Management of the company.

In general, if the organisation does not face great crises or the environment is not very dynamic, stability and resistance to changes are the most outstanding characteristics of its behaviour. These can be efficient companies in stable and predictable environments. In dynamic, turbulent and unsettled markets they tend to be slow in their reactions and, consequently, inefficient in their short-term decisions. In this context, the most valued characteristics in people are cleanliness, tidiness and orderliness in carrying out all their duties. This kind of person can work in surroundings where the activities should be performed in accordance to what the manuals prescribe, so that everything can be duly anticipated.

People in this kind of organisational context tend to value occupational stability, routine and anticipated scheduling of work, a good pensions system, committee work, assignments submitted "just in time" over and above any consideration about the quality and content of the work they submit, monitoring functions within the organisation over and above all other activities, small letters in contracts, and also the daily tardiness,

even if it is only a few minutes, of the personnel can be more relevant than what is going on in the marketplace.

Power and authority in this kind of organisations derive from the position held within the organisational structure and normally it is tied up with a "career as a functionary" that enhances the value of the position. Routine is desirable, because people always know how they must act, the solutions to the problems and it is always possible to resort to precedents, and in this way no time is spent in finding a way to obtain results, as they are clearly defined in the manuals and in the job descriptions. This kind of organisational culture is the materialisation of the principles and ideals that oriented the advent of rational and scientific Administration at the beginnings of the century.

c.- **The Task Culture:** In the organisations where this cultural model is dominant people are led to be ready to serve in different or polyvalent job positions -- without a clear definition of the specific duties and functions that actually correspond to each individual. People are predisposed to be ready and willing at all times to become involved in the solution of problems and difficulties, to achieve results, rather than being centred on the definition of responsibilities and rights that supposedly correspond to the position held. Activities and functions are defined in terms of their transitory nature which generates an environment of great uncertainty and insecurity.

Within this context of definitions, personal experience is the primary source of security and power which people can fall back on to reduce the uncertainty and increase the stability, thereby ensuring the necessary continuity in performing their activities within the organisation. Experience is linked to the relationships that are established within the organisational system, and the power that a person has is directly related to the contribution made to the others in the attainment of collective results. This modelling is of great efficiency

and effectiveness when the organisation either faces situations of crisis or is operating in an unsettled and disturbed environment or has to contend with situations that challenge the collective and individual capacities; however, they produce great frustration and conflict when the tasks become routine-like, boring and predictable in restrictive and stable contexts.

From another angle, the tendency, prompted by this kind of culture in the members of the organisations, to overanalyse all situations can be perceived as a disadvantage; the latter can involve a high cost, both in terms of money and time, and eventually it may mean the loss of market opportunities due to an excessive zeal in the analysis, which could entail high alternative costs. Also, the tendency to experiment and try out new approaches, associated with this culture, can be a disadvantage for the operation of the company. The search through trial and error can become a very critical aspect if is not attended by a careful control of the resources. And the excessive desire to obtain new things may lead to the acquisition of many things that in no way at all contribute to a greater efficiency and effectiveness in attaining organisational results.

This cultural model assumes that the solution of complex problems requires a combination of individual capacities and abilities and hence it promotes the setting up of teams to work on the solution of the problems. The companies are always comparing themselves with their competitors and carefully scrutinising the labour market in an effort to detect new stars which can eventually become a part of the already existing teams so as to obtain, through their efforts, competitive advantages in the market.

It is understood that it is the teams that are successful, and in no case their members. Hence, a great deal of ill-feelings can be created if somebody dares to say that some particular achievement is due to his

efforts or merits or to the quality of the work performed by some other member of the group. The same holds true in the case of a failure. As an image that describes this attitude we can mention the relationship of D'Artagnan and the Three Musketeers in the well-known book by Alexandre Dumas.

The above mentioned elements are associated with a strong valuation of equality of people, eventually accompanied by solidarity, which derives from the fact that it is assumed that each individual has a specific contribution to make and that it is valuable in itself, since it adds a quality or condition either to the solution of the problem or to the structure of the team itself.

This kind of culture, in Handy's opinion, is very well suited for consulting firms, advertising agencies and for Research and Development departments. It can also be greatly efficient in coping with specific situations, unusual or difficult problems. An important aspect is the high cost this culture involves, since it is possible and desirable to discuss and analyse the situations at length, to experiment and learn through trial and error, with the resulting greater expenditure of resources.

Person

d.- The Existential Culture: The existential culture is completely different from the other three, owing to the fact that in this model the organisation exists to assist other types of organisations or individuals. Professional groups (doctors, architects, dentists, etc.) are good examples of this kind of culture. The organisation, with the assistance of secretaries, computers and telephones, provides the services of individual specialists and hence reduces the need for a costly duplication. If a member of the circle quits or withdraws, he will be replaced by somebody else. An image that represents the organisation is that of a constellation or galaxy made up of several important individual stars. In this kind of organisation individuals tend to be highly

autonomous and only need some degree of co-ordination and affective / emotional support. The structure and control are minimal, bearing a resemblance to either the hippie communities at the end of the sixties, the Jewish kibbutz or the stereotype of the academic devoted to his own career in the university hierarchy.

On the other hand, Handy states that the greater size will bring about cultural diversity within the organisations and that all the organisations will display elements of the different types. Nevertheless, a model will always be dominant and define the character of the organisation. Handy holds that the predominance of one type of culture over the others in an organisation depends on the influence exerted by several organisational factors or traits, namely:

(a) The life span of the organisation in the market. New companies tend to be more aggressive and independent or otherwise they tend to be more flexible and adaptable, or a combination of both, that is between a Zeus and an Athena culture. As companies stabilise themselves and manage to position themselves in the market according to their expectations, they tend to be more cautious, conservative and to develop strong mechanisms of formal control, that is, they gradually switch over to the Apollo culture.

(b) The ownership of the company. Companies managed by their owners show a greater propensity to be oriented to power, while the companies which are managed by a Board of Directors tend to be more oriented to a Role culture; an example of the latter are the transnational corporations with their wealth of forms and reports going back and forth from the branches to the Head Office.

(c) The size of the organisation. This variable has been deemed to be one of the most relevant factors in modelling the culture. The companies which are larger in size are comparatively more bureaucratic, even though it is possible that there should exist subcultures in some of

their units which feature Task or Club cultures. The growth in the volume of the transactions and of the administrative activities exert a pressure to develop Role cultures.

(d) The cost of the investments. The volume of the investment and the associated risk is another explanatory factor in the development of one type of culture or another in the organisation. The firms that are intensive in capital will tend to exert a greater control on the use of the resources as well as to monitor the organisational performance more strictly and hence tend to develop mechanisms aimed at controlling, following-up and forecasting their activities. For this type of organisations, failure has a very high cost, which makes them all the more cautious in coping with their decision-making processes. Companies aimed at the massive production of goods display a greater degree of internal convention.

(e) Organisational goals. According to Handy the goals aimed at growth would be the most frequent in power or task oriented companies, while goals aimed at the welfare of the personnel are more specific in those companies oriented to the task or to the people. The search of prestige and reliability, on the other hand, would be associated with companies displaying Role cultures. The organisations that feature Club cultures take great pride in their results, while those organisation characterised by Role Cultures do so in terms of the quality and prestige of their products or services.

(f) The characteristics of the organisational environment. In dynamic markets it is more likely that flexible and creative companies with a Task culture should survive, whereas in stable and predictable environments organisations with either a Club or a Role culture can be successful. The dynamics of a company's market is related to the impact that changes in the general environment bring about in the operation of the organisation; accordingly, there are some specific

variables which alter the behaviour of firms, i.e., when the global demand for goods and/or services in the economy of a region becomes contracted, not all companies are affected in the same way, since those that provide essential goods and services will in all likelihood be less affected in their results than those producing goods or providing services that are non-essential; the latter are the companies that face a situation of greater competition which compels them to develop their creativity in order to survive in a more demanding setting.

(g) The key persons within the organisation. The characteristics, value adhesions, preferences for given administrative techniques to others, etc., where the Upper Management has to exert a greater influence on the process of developing an organisational culture, all the more so if they remain in their positions within the firm for long periods of time. A Personnel Manager who deems it to be vital for a good management to have comprehensive job descriptions of all positions that exist within the company, to apply systematic and formal evaluations of the performance of the employees, and so forth, exerts a great pressure on the company to develop a Role culture.

Finally, in order to become fully acquainted with the culture of an organisation, Handy suggests that, besides applying the modified Harrison questionnaire, it is advisable to interview the people in the company and ask them, among other things, the following questions: What are the people who work for the company like? Who are considered to be winners within the organisation? Who are rewarded and for what reasons? What is a normal working day like? How are new members received? and so forth.

To sum, as perceived by Handy, organisational culture is determined by the orientation of the effort which the organisation makes (e.g., in terms of power or in terms of people) which results a definite way of behaving and method to conduct the activities and to related with the setting.

5. Organisational Culture and Organisational Strategy: I. Ansoff.

The long-term viability of an organisation depends first and foremost on how it copes with the characteristics of its environment. Each one of the characteristics of that environment can be perceived by the company as an opportunity, a danger, a constraint or a necessary condition for its operations²³. To maintain effectiveness and efficiency depends on how the strategy, processes, systems and structure of the organisation are harmonised with the demands, opportunities and conditions which the environment imposes, as a function of the expected returns (Levy:1985).

As Ansoff (1979: page 3) puts it, "*an organisation will be successful if the environment, responses, culture and capability match each other*". For example, following Ansoff's line of thought, firms that face unsettled environments are more harmonious, if they have flexible structures, if they are more heterogeneous in terms of the qualities and characteristics of their members, and if they have a greater tolerance to risk and to innovation, and, consequently, the most adaptive culture within that context, in line with Handy's proposal should be a Task culture, or in line with what has been advocated by Schein, it should be oriented to the task more than to interpersonal relationships, which are the organisational mechanisms to duly acknowledge the attainment of results and objectives, a pragmatic orientation in relation to the environment, etc..

Any entrepreneurial activity takes place in a situation which, on the one hand, includes people and groups, and on the other hand, information, energy and matter in their many forms and characteristics. This organisational environment is made up of a diversity of forces that may

²³ Kotler (1980, page 183) defines strategy of an organisation as the relationship which it establishes with its environment, through the formulation of the ends, objectives and goals.

be classified as political, economic, social and cultural. The firm in relation to its context develops a system of orientations geared to those objects, and which express themselves in the relationships which the firm establishes with people, groups, ideas, etc. The company can define the objects of its environment as ends, goals or objectives or, otherwise, as means, tools or methods to attain given ends, or, otherwise, as either inhibitory or facilitating conditions for the attainment of the ends and objectives. The links which the company might have with the elements of its environment always bear a specific meaning for each company in particular.

The entrepreneurial activity is oriented by expectations, ends or goals, in a well defined context or situation, and it is regulated and controlled by a value/normative system that is shared. According to the meaning attached to the objects of the situation, the company defines and organises its strategic orientation in a hierarchical manner (Davis, 1984). The connection between the company and its environment defines the corporate strategy of the company, from which the specific strategies for each one of the particular objects of the situation (in terms of financial, commercial and human resources, by transactions and other aspects) are derived (Rue and Hovland:1986).

Of all the outstanding assets of a company at a given moment in its history, we can consider that the social organisation, the technology and the material culture, the policies and the legal framework are some of the most significant elements in the analysis of the cultural environment in relationship to the strategy (Terpstra:1978). All these features of the environment play important roles in the transactions of the company, but some of them have a greater importance in explaining the failure or success of its overall operation, under well specified conditions and circumstances.

The members examine the relationship between the organisation and its

environment as something involving either domination, submission or harmony and it is evaluated as the adequate position. In each group there will be different points of view, as pointed out by Schein (1985, page 76), and some consider that nature as perceived in its overall environment can be controlled or conquered, while others believe that nature is something with which a relationship of harmony is to be established, though there are still others who believe that people have to give in or surrender to nature.

Assumptions about the relationship between the organisation and its environment, not only are related to the basic issues of domination and submission, but also to the process of identifying and defining the meaningful elements of the environment. Strategic decisions adopted by the Upper Management so as to make an enterprise a viable organisation are going to be necessarily determined by the distinctions and meanings which decision-makers might have, either from inside or outside the organisation, in terms of their expectations in relation to the future, their concepts of time and space, and so forth, that is, of all that is related to the organisational culture or involved in it. The above means that the organisation has assumptions about the most relevant dimensions of the environment, which are to be taken into account, arranged and placed in a hierarchic order, which entails that not all aspects of the environment will be given the same attention. Those aspects that are given full consideration, and which the assumptions are built on, become crucial elements in the organisational culture.

It is the culture which models the dimensions of reality that are accepted by the Upper Management and, therefore, the levels of information that they use in order to make their decisions on the desired orientation of the company for the future. Even if an organisation may have been able to develop its technological resources to the utmost and can avail itself of the most qualified professional and skilled workers for its operation, it is then necessary to pose questions on how these

resources are used and which are the strategic behaviours that will bring success to the organisation, understood as a long and fruitful life.

The strategic behaviour of an organisation corresponds to the interaction that it does in fact have with the environment, that is attended by changes in its internal processes and structures. The individuals as well as the organisations have well defined preferences as to the kind of strategic behaviours that are expressed in the set of characteristics which are maintained over an extended period of time, even when the results point to the need to bring about changes. The central issue is that, in fact, organisation not only have results and objectives which they aim at, but, in addition, they also expect to attain them through certain forms of behaviour. These preferences have been designated by different authors as "organisational climate", "organisational style" or "organisational culture" (Ansoff:1979, 118-119).

The culture of the organisation, insofar as it encompasses shared values and norms that are upheld by the members of the organisation, *"determines its preference for a particular type of strategic behaviour as the strategic culture of the group"*. (page 119) Ansoff (1979, page 120) proposes *" six representative levels of strategic culture corresponding to six strategic thrusts [. ..] described by six attributes:*

- 1.The time perspective in which the organisation perceives itself and its environment;*
- 2.The domain of alternatives which it explores to find possibilities for action;*
- 3.The focus of organisational attention, whether inward on the internal events, or outward on the happenings in the environment;*
- 4.The propensity to change which is measured by the strength of the signal needed to trigger strategic change;*

5. The discontinuity from the past experience acceptable in the alternatives for action;

6. The propensity to risk in the choice of alternatives."

Attribute	Levels of culture				
	Stable	Reactive	Anticipating	Exploring	Creative
Time perspective	Past	present	familiar future	unfamiliar future	novel future
Domain of alternative	past precedents	past experience	extrapolated possibilities	global possibilities	creative possibilities
Inside / Outside focus of attention	introverted	introverted	introverted / extroverted	extroverted	extroverted
Change propensity - strategy of change trigger	crisis	unsatisfactory performance history	anticipated shortfall of performance	continuous search of change	continuous search for novel change
Acceptable discontinuity of change	none - status quo	minimal departure from status quo	incremental	discontinuous	novel
Risk propensity	Aversion to risk	minimum risk	familiar risk	risk / gain trade-off	preference for unfamiliar risk
Preferred Culture in:	Production units / Accounting units	Production units / Financial Control	Marketing units / Planning units	Product / market development diversification units	Research new venture units

Source: Ansoff (1979, page 120)

To each cultural type corresponds a favourable or harmonious organisational environment. The efficient organisations with good results and that grow are those that have managed to develop cultural models that are coherent with the characteristics of their environments and with the strategies that they develop to face them.

Finally, Ansoff states that the culture of the organisation is closely connected to the manner in which the organisation itself relates with its immediate setting, as well as to the actions which it takes to respond to emerging changes in that setting.

6. Organisational Climate, Culture and Effectiveness: D. Denison

Of all the great number of books and articles in periodical publications

on organisational culture, the one that stands out is the book written by D. Denison (1990) on the connection between efficiency and organisational culture. It is one of the few books that is based on a comprehensive empirical investigation of the North American organisational reality.

For him culture *"is referred to the values, the beliefs and the fundamental principles that are the foundations of the managerial system of an organisation, as well as the set of managerial procedures and behaviours that serve as example and reinforce those basic principles. These principles persist because they are meaningful to the members of the organisation."* (Denison, 1990, page 21). For Denison organisational culture and climate are terms that denote the same phenomenon. On the basis of methodological reasons, he discusses the value of the distinction between climate and organisational culture and concludes that it is irrelevant, since between both of them there exists a significant conceptual similarity.

The studies on organisational climate enjoy a well established tradition in the analysis of organisational behaviour. They are based on the assumption that organisations can be perceived as bearing some well defined social, affective, structural and cultural traits or characteristics, in an analogy to the theory on personality traits in Psychology (Litwin and Stringer:1968). In the studies on organisational climate there exist at least three currents of thought: one dealing with the organisational climate as the degree of satisfaction that individuals feel and/or perceive that is prevalent in the organisation; another in which organisational climate is dealt with as the relatively stable shared perception of organisational attributes; and finally, in the third place, a perspective in which perceptual measurements are combined with other more objective indicators of the organisational attributes.

Denison equates organisational culture to organisational climate in the

sense that it corresponds to the same relatively stable shared perception of organisational attributes. This conceptual correspondence enables him to use statistical series of measurements of the organisational climate that are available for several years (from 1966 to 1980), in a sample of 34 firms, for which there existed, additionally, series of financial and economic information for several years. The availability of this information makes it easier to carry out a cross-section analysis for a period of more than ten years.

The author forwards four hypotheses in relation to the connection between organisational culture and organisational effectiveness:

- a) organisational effectiveness is a function of the level of participation and commitment of the members of an organisation that defines the organisational culture;
- b) organisational effectiveness is a function of the robustness of the culture (internal soundness and scope of the consensus).
- c) organisational effectiveness is a function of the adaptability that provides a foundation to the organisational culture. Adaptability corresponds to: the ability to perceive and respond to the external environment, the ability to respond to internal clients, and the ability to restructure and re-institutionalise behaviours and processes.
- d) organisational effectiveness is a function of how widely shared the definition of the function and purpose of the organisation is.

The author only uses the model that he puts forth "to look at the organisational culture" in "*an attempt to perceive different forms of evidence, [...] an attempt to better understand and predict the impacts that the organisational culture will have on effectiveness.*" (Dennison: 1990, page 6).

Each one of these concepts in itself -- participation, coherence,

adaptability and mission -- explains the impact of the organisational culture on effectiveness, though, as Denison points out, an effective organisation must have a culture that displays all these elements in a harmonious relation. In his works, by effectiveness is understood, speaking in strictly operational terms, the return on sales and the return on investment. In the conclusions, he discusses some results in relation to the fact that at the very best it would be of greater relevance to consider growth as an indicator of effectiveness. He submits convincing quantitative evidences that participant systems have positive impacts in the short and long term on effectiveness. Qualitatively, he distinguishes between the voluntary and informal participation and formal participation; both produce a positive impact on effectiveness, though each one is better suited for different organisational sizes. He only obtained some suggestive quantitative results with respect to consistency. A greater consistency seems to reflect better performances in the short term, but they are not good predictors in the long term. The firms with low levels of consistency seem to obtain better results in the long term. In relation to consistency, he identifies different types in which it manifests itself: the degree of coherence between the ideological discourse and the organisational practices, the level of explanation of the procedures and norms in which it is necessary to discern between the expected and the unexpected, and finally, the level of internal conformity.

He does not present quantitative results that show the relation of the adaptability of the culture on effectiveness. From the analysis of the qualitative evidence, he concludes that organisations which have cultures that tend to value their successful attainments in the past - associated with an orientation to internal processes - have less efficient results than those that are market-oriented and client-centred and hence adjust their internal behaviour to the conditions that both the market and the clients exhibit over time. He has modest quantitative evidences

that support the positive impact of a widely shared mission on effectiveness. The case studies that he conducts support the arguments in favour of the existence of a strong clear and shared sense of mission in the organisation that is associated with high levels of organisational effectiveness. (Denison:1990, page18).

In Denison , organisational culture is the response which the organisation is able to give on the basis the perceptions which it has of itself in relation to its activities and its efficiency in attaining its objectives, either by committing its members, by adapting to changes or by sharing its objectives in a very broad manner.

Conclusions:

Organisational Culture can be understood as a model or a system of representations, capacities and abilities, that are shared by a group of individuals, by virtue of their being members of an organisation, to attain both their objectives and personal goals as well as those of the organisation, acting as a group within the framework of a specific society. This symbolic model is the cumulative result of the history of the organisation and of the experience of its members in dealing with the challenges posed by the external setting as well as the internal one. Within this model it is possible to identify the presence of the beliefs and basic assumptions concerning the many aspects that make up the organisational reality: processes, structures, resources, people, etc..

This system of representation shared by the members of an organisation has an orientation, a degree of penetration, a strength and some degree of consistency (Kilman, Saxton and Serpa:986). It has orientation in the sense that its contents sustain and uphold some types of behaviour, while rejecting others. The penetration of the culture denotes the degree to which it is shared by the members of the organisation, the degree to which it is persuasive. The strength of the culture is reflected in the

degree to which the members of the organisation maintain consistent behaviours with it, that is to say, the degree to which the organisation conforms to the culture in its daily activities. Finally, the consistency of the culture corresponds to the internal level of coherence manifested by it.

Modellers of the Culture.

Of the factors considered to be the modellers of the culture the following can be mentioned:

factors that are external to the organisation:

- ✕ Industry or industrial sector which the organisation belongs to (Arogyaswamy and Byles:1987, Athos and Pascale:1981, Handy:1978, Kunda:1992, Linder:1985, Smith:1986, and Reynolds:1986). It is argued that each industry, industrial sector or business area, impose common requirements on those who participate in them, compelling them to develop mechanisms of external adjustment that would be common, which would feature their own internal points of contact that would bring about similarities among them. For instance, the culture of the banking industry, the dairy industry, etc.
- ✕ The market in which the organisation is active (Beyer:1981, Hofstede:1981, Smircich:1983, Deal and Kennedy:1982, Handy:1978, Ansoff:1979, Forbrun:1973, Lebas and Wiegenstein:1986). Competition within the market and the size of the market generate special conditions which are determinant of the different organisational reactions. The presence of competitors, their number and characteristics would compel organisations to develop special mechanisms of external adjustment, according to the characteristics of their target market. A very dynamic market, with many competitors active in it, involves the development of adaptive mechanisms different to those that would be generated in an oligopolistic situation or a relatively monopolistic one. To compete in a

market with stringent and specific legal regulations involves different conditions to those prevailing in a market with very minimal and general regulations. The existence of products or services that are a substitute to those offered by the organisation is associated with competition: to participate in a market where there exist, besides the competitors who provide the same products or services, other organisations that furnish substitute products or services imposes conditions of a different nature to those prevalent in a market where there are no alternative substitutes at all.

✂ The general characteristics of the socio-cultural environment where the organisation is located (Beyer:1981, Hofstede:1981, Smircich:1983, Deal and Kennedy:1982, Handy: 1978, Ansoff: 1979, and Lebas and Wiegenstein:1986). The relative value assigned to the entrepreneurial activity, the greater or lesser concern for the environment, the existence of some social consensus or, to the contrary, the existence of an extreme political polarisation, etc., are general conditions which call for specific adaptive responses from the organisations.

internal factors:

✂ The characteristics of organisational ownership (Handy:1978, Schein:1985 and 1990, Czarniawska-Joergess and Wolff:1991, Bourantas, et al.:1987, Pettigrew:1979, Garg and Parikh:1986). It is argued that the public or private ownership of the organisation generates differences in the modes of action and representation that the organisations develop and carry out. In like manner, when organisations are owned by a single person or a family gives rise to differences with respect to those organisations where ownership is distributed among shareholders without any ties of kinship as is the case of joint stock companies. The origin of the capital (either national or foreign) has also proven to exert an influence on the characteristics of the modus operandi of organisations.

- ✗ Organisational leadership (Schein:1985 and 1990, Bryman:1984, Burack:1991, Calas and Smircich:1991, Deal and Kennedy:1982, Czarniawska-Joerges and Wolff:1991, Garg and Parikh:1986, Lei et al.:1990). It is considered that it plays a meaningful role in modelling the culture. Special consideration is given to the key role played by the originators of the organisations, since they establish the foundations for the future development of the organisation. Besides, special emphasis is paid to the meaningful role that the style of leadership of the successful leaders or Upper Management play in developing successful strategies or in restructuring the organisational culture.
- ✗ The size of the organisation (Check-Teck:1992, Deal and Kennedy:1982, Handy:1978). Differences in size are determinant of specific types of responses, if organisations intend to persist over time. Organisations of a smaller size can operate efficiently with informal co-ordination systems, management and controls, though, contrariwise, organisations of a great size have to necessarily find formal solutions that will enable them to co-ordinate and monitor their performance.
- ✗ Temporal presence in the market (Handy:1978, and James and Jones:1984). It is argued that new firms have a strong orientation to results, paying greater attention to what is going on in the market, whereas organisations with a long history and presence over time in the market tend to be more centred on internal aspects.
- ✗ The characteristics of the staff: age, the level of educational attainment and motivations (James and Jones:1984, Bourantas et al:1987, Ackroyd and Crowdy:1990, Cummings:1984, and Kerr and Slocum:1987). An organisation with young staff, with an average age below 30 years, faces different problems to those faced by a firm where the average is 45 years. An organisation staffed mostly by non-qualified personnel, with lower levels of educational attainment generates internal conditions that are quite different to one where the personnel is highly

specialised and qualified. Organisations whose personnel is motivated by the rewards that are external to the work face demands that are different to those faced by an organisation staffed by individuals whose intrinsic motivations are important. Each one of these elements, and the particular profile of their combination in the different organisations, act as modellers of the development, preservation and change of the organisational culture.

- ✕ The cost and risk associated with the volume of the investment (Handy: 1978, and Deal and Kennedy:1982). When the cost and the risk is high, organisations will probably find a method of operating that is more rigorous in terms of controls, planning, and with a greater care exerted as regards the use of organisational resources. On the other hand, when the cost is minimal and the risk is almost non-existent, probably planning and control almost do not exist or they do not have any effects on the people. In either case, the cultural models associated with the operation of the organisation are different.
- ✕ The organisational goals and objectives (Handy:1978, Schein:1985, and Ansoff:1979). The culture of an organisation oriented to be a leader in its market will differ from the culture of an organisation that, at the most, only expects to be the second best in the market. In the first case, innovation and creativity are required, whereas in the second case only flexibility to copy and perseverance to follow the leader are needed.
- ✕ Technical requirements associated with the activities (Arogyaswamy and Byles:1987, Athos and Pascale:1981, Handy:1978, Kunda:1992, Linder:1985, Smith:1986, and Reynolds:1986). The activities of a company involved in industrial mass production seems to have different operational and technical requirements than those that are required in marketing activities. It is argued that different areas in a complex organisation would tend to generate organisational subcultures. Also,

the most important activities for the organisation would tend to give a special character to the rest of the organisation.

The competitive advantages which support the organisation (Deal and Kennedy:1982, Lei et al.:1990, and Ouchi:1982). An organisation whose competitive strategy is based on costs differs in its concepts and structure from those organisations that base their operation on strategies of any differentiation. While in the former the mechanisms for exerting control are of vital importance, in the latter creativity and innovation are more important.

Manifestations of the Organisational Culture.

The organisational culture is expressed through the opinions and judgements of its bearers (Schein:1985 and 1990, Kilmann, Saxton and Serpa:1986, page 147) but also in terms of the stable behaviours displayed by the organisation as a whole (Beyer and Trice:1987, Deal and Kennedy:1982, Boles:1989, Schein:1985, Handy:1978, Ansoff:1979, Denison:1990, and Aviel:1990). organisational culture is expressed in the organisational activities, processes and structures and exerts an influence on: (i) the design of the productive processes, (ii) the way in which the different functions and tasks are related within the organisation, (iii) the existence of procedures and shared values, (iv) the presence of consensual models for the interpretation of reality, (v) the system of wages and incentives, (vi) the attitudes toward changes, (vii) the propensity/aversion to risk, (viii) the temporal orientation of people's activities, (ix) the orientation of the commercial transactions (to the client, to the product, to the internal organisation), (x) the process and content of goals, (xi) the distribution, structure and stability of power, (xi) the degrees of individual autonomy existing in the organisation, (xii) the design of the organisational structure, which reflects the relationships of influence, power and authority, (xiii) the type and quality of the administrative support in carrying out and fulfilling the

objectives and attaining the desired results; (xiv) the content and the mechanisms through which rewards are granted for the attainment of the expected performance or even a higher level of performance, and (xv) the way in which conflicts are dealt with. These parameters enable us to come up with an image of what the "*organisational way of life*" is, from which it is possible to develop a model to explain it.

Influence of the Organisational Culture.

In the literature on the topic, a special emphasis is made of the fact that the organisational culture exerts an influence on features or characteristics such as (Alvesson:1990, Block:1989, Bowles:1989, Byrne:1987, Buckowicz:1990, Calori and Sarnin:1991, Check-Tech:1992, Clark:1987, Waterman and Peters:1982, Handy:1978, Denison:1984 and 1990, Schein:1985 and 1992, Kilman, Saxton and Serpa:1986): the design of the organisational structure; the processes, systems and procedures used in the organisation; the effectiveness (efficiency) of the organisation; the definition of priorities; the explanations that the members offer for the facts related to the organisation; decision-making processes; efficient allocation of organisational time and space; productivity; occupational satisfaction; competitiveness of the organisation; the style of leadership and Upper Management; and, demographic characteristics of the staff. Some of these elements are also considered to be the factors that model the culture, e.g.: the style of leadership and Upper Management.

There does not exist any agreement among those who study organisational behaviour and the culture as to the what explains the origin, development, maintenance and change of the culture.

Chapter Four:

Methodological issues.

This chapter is devoted to present the procedures and techniques used in the research work conducted. We offer a general view of the methodology used in studying the culture, with a special emphasis on the classical ethnographic methodology resorted, pointing out the limitations and strengths of its application to the field of organisational studies. We then describe the steps followed in this investigation: making the variables under study operation; the organisations and people considered in the study; the techniques used to gather the data; and a brief summary of obstacles which had to be faced in the process of obtaining information.

1. Procedures and techniques used to investigate the Organisational Culture.

From the abrupt emergency in the eighties of the concern to explain the differences in the organisational results and behaviour based on the existence of a cultural model that directs it, models it and/or justifies it, academics and consultants have devoted a considerable mount of time to discussions as to which is the most adequate method or procedure to arrive at an understanding and to diagnose the organisational culture with some degree of precision.

The discussion focuses on what it means to diagnose the culture and whether such a diagnosis requires simple or complex techniques. There are, however, some who argue that there is no such a scientific research proper in this domain, insofar as it "*does not aim at prediction*", which is an outright denial of its sine qua non condition as a form of positive scientific research (Staw:1985, pages 117 - 118).

For some, the problem is unresolved as yet; for others, it is possible to make some description of certain aspects of the culture, though they point out that if two researchers describe the same organisation, they will come up with different results²⁴. Finally, there are still others who hold that a great expenditure of time and resources is required to make some headway in the process of unravelling the content of the organisational culture, which is untenable under the present conditions if the demands of the academic world are to be met and, still greater, if the demands of the organisations themselves are to be met (Deal and Kennedy:1982, Fillmore:1990, Schein:1990, and Alvesson:1991 and 1993).

In much the same manner as the concept of organisational culture can be backtracked to its origins in Anthropology, even some guidelines have been derived from that field in what respects the methods and techniques needed to understand and study it. The more traditional cultural and social Anthropology offers a wide range of techniques which could possibly be used to unravel the contents of a culture: participant observation, key respondents, record of life histories, record of social relationships and genealogies (sociograms), interviews in their different types, etc.

Other techniques, such as, for instance, in-depth interviews which have originated from the development of other social sciences, have also been used and are used by anthropologists in the cultural study of ethnic minorities, marginal groups, etc. However, within the frame of the habitual work of anthropologists, all these techniques are accessory to performing participant observations, which they do in fact complement (Reeves:1982).

²⁴ A classical example which is resorted to quite frequently to sustain this criticism are the works of Redfield (1930) and Lewis (1951 and 1960) on Tepoztlan in Mexico.

a. Organisational Ethnography

With the works of B. Malinowsky, the most appreciated and accepted approach among anthropologists, any study of the culture inevitably includes participant observation as a key tool in the stage of compiling the information, as well as in the processes of interpretation and presentation of results. It can be held that without participant observation, ethnography, the foundation for any anthropological explanation, is not possible (Rosen:1991, page 12).

But, is it possible to carry out an organisational ethnography along the same lines that have been pursued for decades by anthropologists?

Traditionally, the greater part of the ethnographic studies correspond to the description of the general aspects of an organisation, in terms of behaviour and thinking, that can be observed in the spontaneous unfolding of everyday life activities of a group of individuals, at a particular point in space and time. These general aspects should be understood as "*the ways in which particular peoples behave and think in their everyday lives without being consciously 'organized' for a specific objective*" (Spooner:1983, quoted in Rosen:1991, page 3).

An organisational ethnography hinges on the social relationships and ways of thinking that take place in connection with a set of activities aimed at the achievement of some well defined objectives and results, so that the rules, norms, strategies and meanings are in full operation within a structured context which differs from everyday life, though it is congruent to it. Unquestionably, organisational conditions differ substantially from those found in the spontaneous social life of any society. In formal organisations there is a particular group of individuals that have a definite role and position, which is frequently spelled out very clearly when preparing Job Descriptions in any firm. People who have to interact and perform in terms of achieving some specific

objectives where interpersonal connections are rationalized in terms of the final product that is the reason for the existence of the organisation.

Another difference between traditional ethnographic work and an organisational ethnography is the kind of link existing between the researcher and his object. Normally, ethnographers studied, and they still do so, groups whose patterns of behaviour differed substantially from their own traditions; the greater the difference between one reality and the other, the more favourable the conditions to arrive at a greater objectivity in the observation were deemed to be.

In the work in organisations, the behaviours of people that are very similar to the observer are studied, with models of representation and interpretation that are very similar and which, quite frequently, introduce many subjective biases that are difficult to identify. The observer experiences psychological processes that reduce his objectivity, projects his problems to what he is observing, identifies himself with some interest, is sympathetic to some of the organisational positions and roles, establishes affective links, etc.²⁶.

The greatest difficulty in the study of the organisational culture lies in generating the necessary distance between the observer and the social reality under study, so that what is customary and what is considered as natural and spontaneous might be perceived as something that is new. As Alvesson states *"the problem for organisational culture studies is to turn the well know and self-evident into the exotic and explicit"; obviously, to solve this difficulty is "partly a matter of creativity and partly one of socialization"* (Alvesson:1993, page 53).

The ethnographic method to gather information is *"to live among those who are the data"*, attempting *"to learn the subjects' rules for*

²⁶ Van Maanen (1979) offers a very thorough analysis of these and other difficulties that are met with in ethnographic work within the contemporary society.

*organisational life, to interact with them for a frequency and duration of time sufficient to understand how and why they construct their social world as it is and to explain it to others"*²⁶ (Rosen:1991, page 5). An ethnographic viewpoint assumes that the culture *"is not captured in hypothetical deductions, covariances, and degrees of freedom"*. To the contrary, it holds that the understanding of the social phenomena, and by extension that of culture, *"involves getting inside the world of those generating it, and constructing an interpretation of other people's constructions of what they and their compatriots are up to."* (Rosen:1991, page 8).

The purpose of an organisational ethnography is *"to uncover and explain the ways in which people in particular work settings come to understand, account for, take action, and otherwise manage their day-to-day situation"*; the researcher must be able *"to decode, translate, and interpret the behaviours"*. The work of the researcher is *"an act of sense-making, the translation from one context to another of action in relationship to meaning, and meaning in relationship to action."* The resulting description can not and must not be confused with the facts and processes that occur in the organisation, that would be equivalent to identifying the map with the territory, this is *"a construction cast in the theory and language of the describer and his/ her audience."* (Rosen:1991, page 9).

As the results are substantially qualitative, given the dominant patterns in what is positive scientific research, they are considered to be inferior with respect to the quantitative data. And, frequently, when dealing with them, questions are raised, for instance: *"What is the validity of your results? Can your work be generalised? Can it be replicated? How much variance do you account for?"* (Rosen:1991, page 8).

²⁶ By way of example, the sufficient time needed to make an ethnographic distinction centred on control in a US regional advertising agency took Rosen (1991) more than one year of participant observation; other studies give similar periods (Kunda, 1986).

If we observe the works published during the last ten years in the area of organisational culture and behaviour, we arrive at the conclusion that, as a rule, among the researchers of the culture, either the ethnographic approach has not been adequately understood (Rosen:1991), has not been acknowledged as a useful strategy in research, or has been difficult to apply, due to the time and resources that it involves (Schein:1990, page 110).

Finally, the strict utilisation of this strategy, apart from its high cost in time and resources, offers the additional problem that it is necessary to carry out a significant number of similar studies before having the information groundwork that enables us to make valid generalisations.

b. Other Techniques Used in Researching Culture.

Other researchers (as G. Hofstede:1980) have used questionnaires structured on the basis of those used to measure some cultural dimensions considered to be relevant for the specific ends of their research work. The criticism that is wielded against this kind of strategy in research is "*that it assumes knowledge of the relevant dimensions to be studied. Even if these are statistically derived from large samples of items, it is not clear whether the initial item set is broad enough or relevant enough to capture what may for any given organisation be its critical cultural themes.*" (Schein:1990, page 110).

However, in most of the cases, the authors that have conducted this kind of investigation have a long experience as consultants to organisations. In some way or another, the stage of participant observation has been carried out and it is that experience which enables some authors to assume that the aspects analysed are relevant. Historical studies that link cultural aspects to points of administrative practices have been carried out. The greatest problem which this approach offers is to find suitable sources to collect the information, if

any such sources may in fact exist. An interesting attempt is Denison (1990) which was mentioned and described earlier.

Some works published are based empirically on the information that the author has managed to obtain as a part of his work as a consultant on organisational matters. This method, designated as the clinical approach, has been widely used within the area of Organisational Development²⁷. This approach offers a serious ethical limitation as a large amount of the information has been furnished to the researcher/consultant as classified information which should not be disclosed or, if this condition can not be abided by, the information should be handled in a manner such that is not possible to identify the source, which makes it impossible to repeat it.

Schein (1990, page 111) suggests that "*at this stage of the evolution of the field, a combination of ethnographic and clinical research seems to be the most appropriate basis for trying to understand the concept of culture*". In our opinion, the methodological discussion has a long tradition in the social sciences, so much so that at times it is dealt with as if it were the central object of disciplinary discussion. Anyhow, it would seem that, after all, we still do not have enough valid and validated arguments enabling us to state that any particular methodological strategy will lead us, without any shade of doubt, to obtain the information needed in order to answer our questions. As a rule, all research strategies have limitations that should be evaluated in terms of the characteristics of the research, along with its real possibilities of application, given the constraints faced to gain access to the object of study, and, finally in terms of the resources available to carry out the required field work.

The advantages and disadvantages that each research technique involves are aptly described and evaluated in a number of texts on the

Methodology of Research (Kerlinger:1986, pages 33 - 35). Despite the arguments put forth in favour or against the methods and techniques that could be used, what ultimately seems more relevant is to explain the steps followed in constructing the data that allow us to substantiate our points of coincidence and our arguments rather than attempting to prove the validity which the procedure followed to carry out the research may have.

It is this explanation of the procedure which allows the scientific community to critically review the work after the results of the work have been made known. In ultimate analysis, we have arrived at the same conclusion as Bryman (1991, page 214) when he says that "*the most appropriate style of investigation [...] is located within the qualitative style of research or in combination with quantitative research*". The core of the problem lies in the real possibilities of applying an approach of this type within the framework of the limitations under which the investigation should be conducted.

To sum up, from the theoretical and methodological viewpoint, research work regarding organisational culture admits the use of different research tools and techniques, including both qualitative and quantitative methods, which are in manner contradictory, providing that the researcher gives due consideration in advance to the scope and limitations of each technique and uses them in co-ordinated way, by resorting to an adequate methodological design.

2. Research on Organisational Culture in Chile.

There do not exist any investigations regarding organisational culture in Chile, in terms of the concepts used in organisational analysis and theory, except for a limited number of attempts made by university

²⁷ Schein (1985) is a good example of this approach.

students, in order to complete the theses for their licentiate in Business Management during the period from 1982 to 1990.

The academic research on the cultural reality of organisations in Chile is somewhat poor and, for all practical purposes, almost non-existent. Lauterbach (1961 and 1966), Olavarria et al. (1982), Montero (1992), Muñoz (1986) and Huneus (1979), among others, have focused their attention on attempting to either analyse the psychosocial characteristics of entrepreneurs or clearly ascertain the evaluative and normative model which underlies their actions.

Most of these projects focus on the person that "*owns at least a part of the equity of one or more companies and whose function is to assemble human, financial and material resources in order to turn out a product*" (Montero:1992, pages 101 - 102), whereas others centre their attention on the executives and managers. Inevitably, almost all of these publications make a reference to the work of Encina (1911) to emphasise the stability over time of the features that are described as specific to both Chilean organisations as well as their owners and managers.

However, no new empirical results originated from research on the organisational reality. Regrettably, the published materials are not based on clear empirical foundations, but to the contrary they base their conclusions on small and guided samples of people who were submitted to interviews (Lauterbach, 1961), or, otherwise, they are grounded on the analysis of historical documentation hinging on commentaries in relation to the personality traits of entrepreneurs (Montero:1992); additionally, the material is also made up, in part, of essays which embody lines of thinking that arise from given fields of study and which lack any empirical support which could in a direct and concrete manner provide a backing to any of the assertions put forth in them (Huneus:1979).

Finally, it is important to indicate that there are no published papers in Anthropology dealing with organisational analysis in Chile, even though it is possible to come across some dissertations and final reports in the Schools of Management that address the subject from a theoretical standpoint and that correspond to the period prior to the emergence of the concept of organisational culture.

The impact of the writings of Weatherman and Peters, Ouchi, Deal and Kennedy, Athos and Pascale, among others, have led the managers of Chilean firms to become involved in a revision of the administrative practices and explanations which are considered valid to achieve organisational efficiency and effectiveness. One of the outcomes is to consider Organisational or Corporate Culture as a relevant aspect to be emphasised in the stages which precede the decision-making process in the firm, and which is evaluated as a significant aspect in the analysis which leads to identify the types of changes which the organisations need and to channel the efforts required to attain them. The firms are perceived as possessing a particular set of beliefs as to how the work should be done to attain the organisational objectives and results.

In October 1990, when we enrolled in M.Phil./Ph.D. programme at ILAS we had a preliminary research proposal, which obviously during the first months of readings and bibliographic work had to be modified, and the changes did not stop there, but rather they have been a constant throughout the time that it has taken me carry out the research work.

Though the interest in Organisational Culture and our wish to undertake research in the area go back to the beginnings of 1981 when I began to work as a professor of Organisational Behaviour at the School of Business Management at the Universidad de Santiago, Chile, the lack of adequate of bibliographic references and the relative academic isolation in which we worked at the time did not allow us to have access to the

enriching process which in the field was in place in the United States, England and Europe, except in a very partial and biased manner. However, what initially was a very general proposal regarding the relationship between Organisational Culture and economic Development has developed into a an area with a very specific content as we have gone deeper into its study. Finally, and after some adjustments, what we have researched is the relationship between organisational culture, administrative practices and organisational results.

Why in relation to organisational results ? I believe that that these results at a microeconomic level are the ones which, in ultimate analysis, express themselves, in the mid-term, in the general and specific indicators of a country's economic development, within the frame of a free market economy, where the axis that supports changes and growth is the organised private initiative. And, also, because in our opinion, it is important that academic efforts should become useful instruments to be used in improving the quality of life of those who support our undertakings.

3. The Research Conducted

The first stage of the research work included identifying, gathering, reading and preparing bibliographic notes of relevant literature. In Social Sciences, the methodological discussion is too frequent, as it seems due to the lack of more empirical work, social scientists devote most of their time to analyse the methods used by their peers to make headway, in the knowledge of social reality. (Zetterberg:1965).

Broadly speaking, the general procedure of a research has been followed, in a positivist sense, adjusting the techniques of understanding and analysis to the characteristics of the study, quality of the data obtained and resources available. In this process we have followed some of the indications that we have found relevant in the

bibliography examined, to which we make a reference by means of a footnote, when needed.

The bibliographic search began at the Library of the University of Liverpool, reading books and articles that were available there, subsequently through a computer-based network we had access to publications that were elsewhere, in the UK and the United States, mainly. During months I went through a long list of periodical publications in the field of organisational psychology, management and organisational sociology.

Unfortunately, the classification of bibliographic materials at the libraries not always was the best and valuable time was lost examining texts, which in the long run were set aside as they contributed nothing or very little to developing the subject in any aspect. However, I believe that my conscience would not be at ease, had I not read them.

The central hypothesis to our work stated that organisational culture had a direct influence on administrative practices and the results observed in organisations. The terms of the hypothesis were made operational so as to be able to measure them empirically.

The Research Itself.

We have used those techniques that we think will ensure, on the one hand, a minimal reliability to the value of the information obtained and, on the other hand, an expenditure of resources and time within our reach and within the frame of the constraints that we came across in attaining our proposed goal. Finally, we have opted for a path which is not an orthodox one: interviews, observations, key respondents, questionnaires and a review of the economic/financial reports. This decision has been based on the excellent suggestions and good reasons forwarded by T. D. Jick (1979: 602).

In the field work proper, we dealt with organisations where we were free to come and go and able to make observations and talk with their members within the frame of their everyday lives; however, in other organisations, we were only able to apply a part of the questionnaires with only a partial access to the information on the results in a setting of straightforward organisational control. We think that, in most of the cases, we were able to participate in conferences, conversations and observations within either a relatively balanced framework of spontaneous free interaction or one of an overt organisational control.

a. Operationalising the variables.

The empirical investigation of the reality, in our case of the culture, administrative practices and organisational results, called for operationalising the variables to be investigated. The operational definition of the measurement of the variables shows their meaning by specifying how they are measured. In keeping with Kerlinger (1986, pages 33 - 35), the operational definitions *"are the bridge between the level of the theory - hypothesis - construct and that of the observation. There can be no scientific research without observations, and these are impossible without clear and specific instructions on what to observe and how [...]. No operational definition can express a variable on an overall basis."*

Operationally, organisational culture embodies two aspects of the reality that belong to different logical types:

- as the set of shared meanings - basic assumptions and beliefs - by most of the members of the organisation, expressed through their opinions with respect to the behaviour of people, the social relationships and the activities that take place in the organisation.

- the models that can be inferred from the policies, structures and activities of the organisation within its internal domain and in relation to the environment in which it conducts its business.

The administrative characteristics and practices correspond to the patterns of behaviour that can be inferred from the descriptions that members volunteer in relation to the demographic, social and structural characteristics and of the decision-making processes that take place within the organisation.

The administrative activities and practices that an organisation performs are expressed in two types of final outcomes, reflecting the capacity of the members to set themselves objectives and goals and to attain them within the limits and constraints that act upon the organisation:

- the economic results expressed in the Balance Sheet that the organisation prepares on a periodical basis to be filed with the State (tax compliance purposes), to provide information to the owners and/or the members of the organisation about their overall performance.
- the productivity of the human resources.
- the perception that participants in the system have of the characteristics of the environment or organisational climate.

Difficulties in the investigation

As a rule, very few companies favour this kind of investigation within them, and in the few cases in which it is viable to conduct any research it is necessary to have contacts (friends, etc.). We managed to gain access to a limited number of companies which, through personal contacts, authorised the questionnaires and interviews needed.

Once the management accepted the investigation, not always did we have the necessary conditions to carry it out: time restrictions, fears, and the like, are some of the causes that inhibited and obstructed the investigation. In addition, our questions and questionnaires were not always answered in full, which involved an additional difficulty to our field work. One of the most troublesome difficulties we had to face, after having solved the problems of access to the organisations, was the problem posed by the language in which we had formulated our questions; as a result we had to spend part of the limited time available in providing explanations about the meaning of the words and the sense of the questions included in the questionnaire.

A disadvantage or limitation of the procedure used for the investigation is related to the high degree of control which the companies exert on some type of information. Almost by definition, many organisations are very secretive about their policies, strategic guidelines and decisions, since they are deemed to be sources of competitive advantages or disadvantages within the market. Many records are maintained under careful reserve, unknown to many units and levels within the organisation and it is very difficult to gain access to them without the authorisation of the CEO or the owners of the company; this is the case, for instance, of financial information, plans for growth and development and future projects.

The people polled at each firm.

The procedure used to select the sample of organisations under study is non-probabilistic, that is to say, they were selected without the intervention of any random element. The method followed is what is known as the convenience method or procedure, that is, the units are chosen on the basis of their greater accessibility so as to cut down the general cost of gathering the data, though, concurrently, reducing the degree of generalisation of the results obtained.

The reasons for this decision are explained when we make a reference to the difficulties encountered in accomplishing our field work. Within each organisation, a random sample was taken in order to apply the questionnaires and to conduct interviews in relation to the culture; this, obviously, excludes those companies where, on account of their size, we considered all the members of the organisation present on the day when the survey was conducted.

In order to diagnose each company, we surveyed and applied questionnaires to a variable number of people by firm, considering, as a rule, groups of individuals that had the following composition:

- **Managerial Level:** in each one of the companies, the Managers or Heads of the Commercial, Finance and Industrial Relations Offices, Departments or Units were interviewed with respect to organisational policies, practices and results in the areas of their jurisdiction. It was not always possible to obtain the specific data on the economic/financial results of the companies. To carry out these interviews we used a semi-structured questionnaire that was repeated in all cases in a similar way so as to obtain comparable results. Additionally, they were asked to answer the questionnaire on the culture of the organisation. Unfortunately, in many cases, their participation was limited to the technical interview, excusing themselves from further participation due to their lack of time on account of their many activities and the need to comply with their social and business commitments.

- **Intermediate Executive Level:** we made an attempt to ensure that the intermediate managerial personnel included in the sample should ensure a meaningful coverage of the total of existing intermediate managerial positions in each organisation, which was not possible in all cases. These people were required to answer the questionnaire on the culture.

Additionally, in some cases, they were interviewed with respect to aspects related to the organisational culture.

- **Operational Level:** As a minimum, 30 people were considered out of the total in each organisation. However, due to differences in size and accessibility, in some cases, small family-owned companies, not more than 20 individuals were included, whereas in companies of a greater size, with more than 3.000 workers, we took a random sample comprising a maximum of 60 people. They were required to respond a questionnaire on the culture. Some cases were interviewed in addition on aspects of the organisational culture. In this group we faced some problems with the language used in the questionnaire as well as that used in the semi-structured questionnaire.

The techniques used.

To obtain the information needed we used a combination of research techniques that include a questionnaire, semi-structured interviews and direct observation of the behaviour. The surveys were applied in the manner that best suited each of the companies; in most cases, we were able to hold a meeting with all the people that would answer the questionnaire, though in other cases it was impossible and we had to opt for the self-administration of the questionnaire. The interviews were conducted during regular working hours of the people and at the physical facilities of the organisations.

A questionnaire made up of two parts (and including specific information on the individual polled) was applied. Identification information included: age range, level of educational attainment, type of position, occupational area and seniority in the organisation.

The first part of the questionnaire contained 13 multiple choice questions and related to 5 aspects of the culture. The original intention was to apply it on a company-wide basis, but, owing to time limitations

set by some companies, it was applied to only 38 out of the 46 cases. The questions were aimed at identifying: the orientation of the daily activities and of the interpersonal relationships, the kind of connection that was perceived between the organisation and its environment, the criteria used for habitual decisions and the temporal perception of everyday activities. The persons had to indicate with an X the alternative that, in their opinion, best represented their perception of what went on in the organisation. We have interpreted the higher response frequency as being the dominant opinion among the members of the organisation.

The second part of the questionnaire corresponds to that proposed by Harrison (1975) and modified by Handy (1978). It was applied in the organisations studied on an overall basis. It contained fifteen (15) multiple choice items that measure the basic orientation of the organisational culture through the conceptualisations made by the members in relation to issues such as: desirable behaviour of managers and subordinates, criteria to establish priorities, organisational success, organisational power, task assignment, motivation at work, team work, competition, decisions, communications, etc. For each item the person polled had to assign a value 1, 2, 3 or 4, as to whether in their opinion such an alternative represented the dominant opinion in the organisation or not. The value 1 corresponds to a response that comes closest to what is perceived occurs in the organisation and the value 4 to the most distant one. The data for each individual was tabulated, adding the values assigned to the answers a, b, c and d individually, and next the result was divided by 15 in each column. The lower value indicates the individual perception in terms of which is the dominant direction in the organisation. Then to determine which is the dominant direction in the organisation, we took the response with the higher frequency for the total sample of individuals in the organisation. Additionally, and to identify the scope of the organisational consensus in connection with an

orientation, each item in particular was analysed. The higher response frequency for each item indicates the aspects on which there exists a more concordant opinion among the members of the organisation.

Semi-structured interviews on general aspects of the organisational culture and the operation of the companies were applied to the managerial level and to a sample of the subordinates, which in the best of cases, never exceeded 20 people in each one of the companies. In small companies, nearly all managerial positions were polled, while in the large companies it was only possible to poll a small number of managerial positions. Owing to reasons of hierarchy and operation of the companies, in all cases, the administrative information (Personnel, Finance and Commercial) was obtained through interviews with the managers or heads of each area. In addition, in some cases, as a control mechanism, we interviewed some people, which due to my relationship with them -- former students at the university in most cases -- acted as key respondents in order to test the accuracy of the information we had obtained, in a environment of greater informality, almost always outside of the company²⁸.

We visited each one of the companies and we toured each one of its functional areas, in the company of some manager, which enabled us to accomplish some observations of the actual behaviour of the people working there. However, this observation took place within a context of subordination, which distorts any manifestation of spontaneous behaviour, but facilitated our interviews and, finally, also the interpretation of the results obtained from applying the questionnaires.

²⁸ As Bryman (1991, page 206) states " *the most fundamental ingredient of qualitative research is the preference for seeing through the eyes of one's subjects*", which in our case is not fully complied with, though, at least we attempted to validate our vision of each company with one of the active members in it.

Chapter Five:

Organisational Culture of the Chilean firm.

This chapter describes the results of the investigation carried out in more than forty Chilean firms during the period 1991-1994, which included historical information going back to 1988. First, it describes the organisations studied. Second, it characterises the organisational culture expressed in shared meanings, in ways of organisational life, detected during the research. They are categorised in three types of organisations, namely: pessimistic or fatalistic organisations, optimistic or maniac organisations and pragmatic or bureaucratic organisations. Third, the chapter describes the administrative practices and characteristics in Chile, including aspects related to Human Resources Management, Marketing Resources Management and Economic/Financial Resources Management. Finally, it offers an analysis regarding some of the administrative practices and the cultural models identified, to conclude that the best organisational results in the organisations studied were observed mostly among those firms which had a pessimistic model.

1. The organisations studied

During the 18 months, in which the field work was carried out, we were able to study 46 organisations. To provide an ethnographic description, *strictu sensu*, of the organisations in the study goes beyond the scope of this study. However, in the tables given, it is possible to find sufficient information that makes it possible to build an image of each organisation.

We will only describe those parameters which are most frequently considered to be modellers of the organisational culture, namely:

ownership, industrial and economic sector, temporal presence in the market, competition and size.

i. - Ownership of the company. The organisations studied basically correspond to private companies aimed at generating profits for the owners. We have also included mixed companies, in which the State owns a significant proportion of the stock, a State-owned enterprise and a non-profit organisation. The political and economic processes experienced by the Chilean society over the last decades are reflected to some extent on the changes which organisational ownership has undergone. Accordingly, we have organisations which were set up by the State and which 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 to 1973, they were either acquired or intervened by the State and were kept under its control until they were re-privatised in the period between 1975 and 1985.

Finally, there is a group of companies that though they belonged to the private sector they were intervened and managed by the State for a significant period of time, between 1981 and 1988; essentially, banking and financial organisations were in this situation²⁹.

Type of company	cases
Private company, without any link of ownership or management with the State	32
Private company, former State-owned company	3
Private company, formerly intervened and managed by the State	6
State company	1
Mixed company, where the State has a majority participation	3
Non-profit organisation	1

The sample comprised companies that have different types of ownership: listed public companies, unlisted public companies, limited liability partnerships, professional partnerships and professional associations.

Each one of these types of ownership operates under a set of legal regulations affecting them in a specific manner, above all in what respects taxation, legal liability, reporting and disseminating economic and financial information of the organisation.

A listed public company is a joint stock company, which can be either State-owned, public or mixed. Involvement in the decisions is in relation to the shares owned by each participant, which are equivalent to the number of votes to elect the Board of Directors of the company.

The greatest difference between listed and unlisted public companies is related to the fact 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 companies are transacted in the Stock Exchange alone and their management is under the supervision of the Superintendency of Joint Stock Companies.

A limited liability partnership is a type of company, which as its name shows, 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. Their internal operation and the participation in the decision-making processes is prescribed by internal regulations, also established in the articles of association of the company.

A professional partnership, corresponds to an organisation, as its name indicates it, of people holding a professional diploma, who become

²⁹ For an overview of the privatization process in Chile between 1975 and 1988 see Hachette and Lüders (1992).

associated in order to freely practice their profession. It differs from joint stock companies 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 upon by the members of the organisation.

Type of organisations studied	cases
listed joint stock company	12
unlisted joint stock company	18
limited liability partnership	14
professional partnership	1
professional association	1
Total number of organisations studied	46

A third aspect linked to the ownership of the organisations is related to the origin of the capital. There are companies in which the capital is either national, foreign or a combination of both, as shown in the table that follows:

Origin of the capital of the organisation studied	cases
national capital	7
foreign capital	7
mixed capital	2
Total number of organisations studied	46

ii. Temporal presence of the company in the market. The temporal presence of the company in the market corresponds to the number of years that the organisations have been operating in the market.

We classify organisations in a scale of less than 5 years, which corresponds to companies in formation and that arise during the process of economic recovery following the 1981 crisis; between 5 and 10 years which correspond to those that begin to operate during the 1981 crisis; between 10 and 20 years that correspond to the companies that began their activities during the first years of the Military Regime; between 20 and 30 years that correspond to those companies that were set up during the processes of change and political instability of the

decade of the sixties and the seventies; and finally, those companies that have been in operation for more than 30 years, which arose within the context of State protection. The companies studied are distributed as follows:

Temporal presence 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

iii. Economic sector in which the organisations operate³⁰. The companies studied encompass a wide range of activities, that correspond to the three sectors of the economy, and within each sector, to different areas of activity, as shown in the table below:

Economic Sector		cases
Primary		7
	Mining	5
	Agriculture	1
	Forestry	1
Secondary		14
	Metal-mechanic	3
	Textiles	3
	Chemical and related	3
	Food	5
Tertiary		25
	Health	3
	Communications	4
	Banking and Financial	5
	Other services	13

iv. Competition in the market. The competition that a company faces in the market corresponds to the number of organisations that provide the same product or service to the same kind of person in the same geographic area.

³⁰ They were classified according to the criteria used in the Monthly Report of the Banco Central de Chile.

Unfortunately, the information specific to each organisation has not been systematised and has not been published by any private or State organisation. What exist are global statistics with respect to the number and characteristics (productive and economic) of industrial categories that owing to their broad nature only allow us to make a very general estimate of the competition that an organisation faces eventually.

This limitation in the information led us to classify the organisations in terms of the definition that they themselves make of the presence and quality of the competition that they face. We find that the organisations studied had different definitions of the competition that they face:

a) organisations that indicated that they did not have any competition present in the market in which they carry out their activities, that is to say, their products or services are not provided by any other organisation in the geographic area and population which they are aimed at. This does not mean that there do not exist any other companies devoted to the same activity with similar products and/or services; it only shows that as far as the company under study is concerned they are not regarded as competitors.

(b) organisations that stated that they only had national competitors in the market in which they operate, that is to say, their target area and population is also the target area for other national firms devoted to the same activity, with similar products and/or services;

organisations that stated that they had foreign and domestic competition in the market to which they are oriented.

Competition	cases
without any competition	37
only national competition	15
foreign and domestic competition	25

v. origin of the capital of the company. The organisations studied include companies whose capital originates from foreign and national investors; they are distributed as follows:

Origin of the capital	cases
national	37
foreign	7
mixed	2

vi. size of the companies. The size of the organisations can be defined in terms of their headcount or the scope of their operations (measured by sales) or by the value of their assets. Any of these criteria gave a distorted vision of the size, therefore the figures mentioned should be taken only as relative figures and their deeper meaning is found in relation to others variables.

Volume of sales. In terms of the volume of yearly sales, in 1991, we have:

Yearly sales in MM \$ of 1991	cases
less than 100	2
from 100 to less than 1,000	4
from 1,000 to less than 10,000	16
of 10,000 to less of 100,000	5
more than 100,000	4
no information available	15

Value of fixed assets. According to the value of the assets, the companies can be broken down as follows:

Fixed assets in MM \$ of 1991	cases
less than 100	5
from 100 to less than 1,000	9
from 1,000 to less than 10,000	11
from 10,000 to less than 100,000	5
more than 100,000	1
no information available	15

Headcount.³¹ In the study, from the point of view of the number of people working for the organisation, 13 organisations were considered small companies, 23 medium-sized companies and 10 large companies, as shown in the following table:

Headcount	cases
less than 50 workers	13
between 50 and 100 workers	5
from 101 to 500 workers	18
of 501 to 1000 workers	7
more than 1000 workers	3

2. The Shared Meanings.

Within the group of firms studied, over and above the differences across organisations, we observed common and repeated and may be interpreted as an expression of a shared definition of work. These elements are: a) the existence of a great work "pressure" exerted by the supervision; b) a sustained effort to improve organisational "efficiency" from the upper tiers in the organisation; c) the existence of problems of "co-ordination" of activities, functions and responsibility; d) the use of an administrative jargon which involves planning, control, organising activities, developing plans, defining objectives, designing tasks, among others; and e) a formal definition of work as an obligation in which loyalty, dedication, compliance and professionalism are acknowledged as the qualities which are desired in subordinates and employees.

The jargon, though it is recurrent, does not necessarily represent the reality of organisational behaviours. It reflects the strong influence of the administrative discourse derived from the classical administrative

³¹ In the literature on organisational and economic topics, different criteria are used to classify firms according to size. For instance, the 1978 UNID Report on the situation of the industry in Chile, classifies firms in 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.

model in people's everyday language in the firms.³² This school, in which most of the country's professional managers have been trained, views planning, organisation, direction and control as the basic functions of organisational endeavours. These terms are easy to remember because of their frequent use and do not involve any value judgement in relation to what is taking place. It is a response which could consider aseptic, clean, technical, noncommittal, of elusion.

The acknowledgement of a considerable work pressure, the search for efficiency and zeal in carrying out commitments can be interpreted as being descriptive of the ideological open-market discourse prevailing in the overall setting, in which entrepreneurial activities are carried out in Chile, and as a real requirement which is due to the increase in the competition in the markets, both domestic and external.

The demands for loyalty, obligation (duty) and professionalism are value judgements. They are criteria which define what is desirable in everyday work activities, whose interpretation may be related to the strong respect for hierarchies, the laws and a high valuation of professions - as these terms fall within what many authors have emphasised as being central to the Chilean cultural tradition- which have been exacerbated under the influence of the military discourse, which during 17 years stressed those values - loyalty to the person in authority, carry out obligations to the point of personal sacrifice - and the professionalism of the activity, which is thus presented as something opposed to the ideology.

Within this context of shared elements, we find that people in all the organisations studied, though using different expressions, consider that the most important goal, which all activity in the organisation is oriented to, is the maximisation of profits, by becoming leaders in the market or

³² Which, in general terms, corresponds to Fayol and Tylor's concepts.

due to the quality of the service to clients or due to cost reductions in the production of the goods and/or services.

On an overall basis, the organisations studied have members whose activities are oriented to the task as a dominant trait, that is, the individuals perceive that in their everyday activities they must give a higher priority to the attainment of organisational goals and objectives (those which are understood as being specific to the work of the individual pursuant to his work contract with the organisation) rather than concern themselves with needs of people or with developing a climate of interpersonal relationships that is gratifying and stimulating for the individuals in performing their organisational duties.

As regards time, it has a monochronic definition. The perception that activities are to be performed one after the other and not several simultaneously is clearly dominant..

The dominant behaviours among the members of organisations respond to a model of social conduct which:

Prescribes functional relationships, that are emotionally neutral, which bans the expression of real emotions and feelings among the members of the organisation, insofar as it is a workplace.

Encourages interpersonal relationships that are restricted to the workplace, limiting the possibilities of extending them to even include the other members of their families.

Defines the content and scope of the relationship between people in terms of having a direct relationship with the behaviour evidenced by individuals inasmuch as they belong to an organisation and excludes the ascription of a special valuation in terms of family origin, wealth or other trait which is alien to the work relationship within the frame of the organisation.

Prioritises an agreement on collective interest, without involving a subordination of individual interests, but rather it suggest making them compatible. An exacerbated individualism or collectivism are rejected.

Suggests the application of the same criteria of evaluation of the behaviour of individuals who perform a similar work or hold similar or equivalent jobs.

Within the frame of these ideas, behaviours and characteristics which exist in and are shared by organisations in Chile, it is possible to distinguish in them that there exist three categories of cultural discourse: organisations with a pessimistic or fatalistic paradigm, organisations with an optimistic paradigm and organisations with a pragmatic or bureaucratic paradigm.

پوشش و استم به بدین

i. The Pessimistic or Fatalistic Organisations

The first paradigm we have designated as pessimistic in keeping with the general character that is observed in the behaviour of the members of these organisations. After our visit, we have left these organisations with a feeling that there prevailed an atmosphere of acquiescence and of learnt helplessness in them; in reading over our notes and analysing the information, we have had the same sensation once again

In this paradigm in relation to organisations, the relationship to the environment, in general, and to the target market which the action of the organisation is oriented to, in particular, is conceptualised in terms of subordination. That is to say, the persons in the organisation consider that their activities, processes, products and/or services should be subject to the restrictions that the environment imposes on each specific organisational activity.

People do not envisage the possibility that, from the organisation, it will be possible to modify those characteristics of the environment in some relevant orientations or sense. In concrete terms, this means that, for

instance, the organisation only has products and/or services that already exist and are clearly positioned in the market.

From the standpoint of the conception of human activity this is assumed to be passive, as a recipient of the stimuli and possibilities that nature, the market or the environment, in general, offer. The organisation and their members perform activities leading to the achievement of objectives, goals or purposes that the environment recommends, encourages or accepts.

Cultural paradigm	Organisation / environment	human activity	criteria of validity and reality	temporal orientation	Human nature	interpersonal relationships	organisational diversity, the organisation rewards:
Pessimistic	subordination : the organisation attaches more importance to the legal framework and external procedures than to the market or the products and/or services that it supplies.	receptive, passive: the organisation lacks mechanisms enabling members to participate at any level or aspect.	authority: the activities that are carried out are defined in all their aspects by those with greater hierarchy and authority in the organisation .	Present / past: in the organisation there are no activities aimed at planning, projecting or forecasting results or conditions.	Evil not perfectible: the organisation does not conduct, promote or encourage activities aimed at training or developing human resources.	concentrated : hierarchic, functional, individualistic , competitive, authoritarian leadership.	homogeneity, conformism, subordination , acquiescence .

Actually, the people and the organisation are willing to assume and to accept what is imposed on them or demanded from them. For instance, activities are performed the way they are accomplished because "they have always been done like that", production is increased or reduced because "our clients want more or less of our products and/or services", etc..

Everyday internal decisions are based on criteria of validity and reality that are defined by the authority in the organisation. In order to decide the kind of action to carry out, members of the organisation observe the behaviour and imagine the expectations that the Upper Management has in relation to each matter which is the subject of a decision; and, it is in terms of this that they carry out the activity. For instance, it will be frequent that the people should state that "the boss said that ... " or "I

believe that the boss ..." as a justification of what is being done or in relation to the changes observed in the activity.

Everyday and administrative activities are frequently justified by making a reference to past events. People in their informal interaction will discuss the past achievements, failures and anecdotes that are related to the organisation, rather than talking about what is happening at present in the organisation, and still less do they speak of the possible events, problems, opportunities or threats that could affect the organisation in the near or distant future. For instance, a great deal of time will be devoted to comments on how successful or not, such and such a product was at its time, and this may have taken place three, five or more years ago.

From an administrative standpoint, financial book-keeping and accounting will be far more attractive than budgeting, the recording of economic events than projecting them will likewise have a greater appeal, and so forth. On the other hand, there are no well defined future plans, or else they are very short-term in nature, or even if and when they do exist, people do not take them into account in the decisions they make and hence those plans are never assessed or evaluated.

Human nature is conceived as being evil and that there are hardly any or no possibilities to improve it. In these organisations, people are controlled by means of external mechanisms aimed at making them perform the tasks that are required to attain the organisational objectives.

The organisation develops and maintains strong processes of internal control at all levels, as a means to prevent people from bypassing or disregarding internal procedures. In the organisation there are no programs aimed at upgrading or training personnel; there are many supervisory levels, time recording devices, closed television circuits, and the like.

Within this context, interpersonal relationships are strongly hierarchic and there is a tendency to attach a greater relevance to the job positions rather than to the individuals. The roles played are more important than people with respect to the relationships that take place. Relationships are functional to the duties performed and they seek to satisfy the needs of the individuals who compete to avail themselves of the resources and to exert influence on the Upper Management.

The Upper Management exerts an authoritarian style of leadership, that is, each person in a role of authority on his own decides the actions that must be taken and issues instructions and orders to his direct subordinates; subordinates do not have any participation at all in the decision-making processes.

The organisation tends to have a relatively homogeneous endowment of human capital in a wide range of aspects and there only exist differences at the different hierarchic levels. Conformity and acquiescence are the expected attitudes. People are supposed to obey orders, instructions or norms specified by the higher level. The criteria, by which the system assign rewards -- with the exclusion of salaries -- operates, are more related to the relationship that exists with the Upper Management than the kind of work that is performed.

The organisation of habitual work in a Pessimistic organisation is perceived and described as centred around the authority and of "great frustration", where "individualism prevails", the environment is "impersonal, the relationships are competitive", "one lives under permanent tension and pressure", "all is defined as urgent", "people show an increasing lack of interest in their work", "everything is done in a climate of fear of the individuals of the authority or of the owner".

The most outstanding behaviours that draw people's attention the most when joining the organisation are "the lack of efficiency in performing the tasks" , "the clashes and the covert struggles for power" , "the lack

of courtesy shown by all", "the great differences in treatment across the hierarchic levels" , "the fear that the people have for the Upper Management", "people's permanent concern for their personal situation", "the lack of interest which the organisation shows for its members", "that the decisions are more related to the managers' interests than to the needs of the organisation".

No changes in behaviour are perceived over time, "people here are not advocate of changes", "since I have been here there have been no changes", "one only observes more authoritarianism", "not many changes because the turnover is too high in order to be able to say that there have been changes".

The explanation of the fact that there are no changes in the organisation is associated with fact that there exist "many fights, discussions and much rivalry in the Upper Management" , and that there are "many changes in the staff (dismissals)".

It is thought that the organisation's primary goal is "the profit and only the profit" , "to produce cheaply and to sell at a high price" , "profitability for the owner" , "the survival" , "be big".

The impression made by the reception and treatment of new members when they join the organisation is "a bad impression", "is disappointing, because it is not what one expected" , "there is a great indifference in relation to new member", "no special treatment, one is not even introduced to the others", "there is a critical attitude towards the new member" , "there is hardly any friendship, lack of help and support to carry out the tasks that are assigned to him/her", " very shocked by the physical conditions and the relationships with the persons", "very cold treatment that one receives".

A simple description of the organisation, thinking of an eight year old child, hinges on the productive processes of the organisation.

With respect to what is known about the origin and development of the organisation we find that most members "know nothing about its origins", some, "I suppose that it was an idea that the owner had", "I believe that it was an idea the owner's grandfather had", "I know little of the history, but I do know that there have been successes and failures with the products, because a lot is always said about them".

The reasons that explain the organisation's growth and success are found in "the knowledge", "the perseverance", "the effort", "the creativity", "the sacrifice" and "the ambition" of the owners; also in "the scarce competition that the organisation meets with", "it has to do with the country's growth", "the prestige and the quality of the licenses" and "the technology that is used".

The members that work in the organisation "as a rule seem congenial", "are indifferent", "are mediocre", "only live concerned about themselves and disregard their environment", "each one is concerned about the work that is assigned to him/her", "are more interested in the personal aspects of their work than in the rational aspects of the organisation".

If any thought is given to those who in some way or another succeed in the organisation, they "do not have any special quality", "almost always they are the most servile", "those which have a personal affinity with the owners", "those which maintain a close relationship with the managers and are most obedient to them", "only the professionals close to the management", some think that "not many succeed here".

The relationships of the persons are characterised by a "strong division of the groups and areas in the organisation", "there are many struggles involving the different areas, each one defending their own group", "there is a lot of fear", "the people are indifferent", "our relationships are superficial", "only relationships in connection with the work", "are boring and monotonous".

A typical work day is characterised by "the routine and excess of control", "because there is always a lack of staff", "it always begins with discussions and fights over the materials", "there is little or no communication", "each one performs the task that is assigned to him/her", "it ends when the boss leaves", "the owner closes the organisation".

The activities that are considered more important are that "all tasks assigned are important", "to work and only work in what is indicated to one", "to work and to solve specific problems that come up in the moment", "to do what the boss says".

When they are asked about the remunerations and rewards that the people receive in the organisation the most frequent expressions are "do they reward anybody?", "there are no individual rewards, occasionally the manager or the owner invites members to a special meal to celebrate the fact that the sales target has been exceeded", "for their commitment and honesty", "depends on the boss", "the owner sometimes gives one some personal recognition", "there are rewards only for the boss' friends".

The documents that circulate internally as a rule are related to "time constraints to deliver assignments", "call members attention for mistakes made", "technical aspects", "goods and/or inputs required", "formal notice of problems", "requirements of an urgent nature".

The relationships of the Upper Management to the subordinates is "pyramidal", "there are many feudatory structures", "only power is exercised", "little communication to give instructions", "excessively formal", "strictly about work", "little interest in the objectives and personal life of the people", "congenial treatment but impersonal".

In relation to the perspectives of changes in the future of the organisation, the members state that "I do not see myself in the future

of the organisation", "the people will quit on a voluntary basis from the organisation", "the owner will make new investments and it is possible that new plants will be acquired", "there will be only vegetative changes not real ones", "a greater activity because the country is growing".

People join the organisation "for economic reasons" and "need of a job". The most gratifying aspect of the work in the organisation is "to survive, not to be fired", "the production bonuses" , "I do not know, nothing", "to leave early", "the end of month", "pay day", "time to go home".

The least gratifying and unpleasant of the work is "the occupational environment", "the humiliation in the treatment given by the people in authority", "the unpleasant treatment", "little participation", "the differences that are made in relation to the people", "the last minute requests", "that everything is required for yesterday", "the physical conditions in which work is done".

The persons think that they could leave the organisation "for a better wage", "better perspectives of development and training", "a better work environment", "because he/she can not put up with the unpleasant treatment and humiliation any longer".

People have access to information on the industrial sector related to "technical information", "on the products of the competition". This information is obtained by "only some areas", "only the managers and heads". The decisions are made by "the managers only", "the owner", "the chiefs".

It is expected that the organisation, as a recognition of work well done and on time, will grant "better wages", "some bonuses", "at least we may have greater stability."

Pessimistic	Organisational Characteristics	Organisational Practices
<p>The organisation's relationship to the environment</p> <p>Subordination</p> <p>The organisation is subject to external forces over which it can not exert control.</p>	<p>The repetition and reproduction of what is known in production and procedures are encouraged. Homogeneity in individual behaviour is rewarded. There are no mechanisms enabling people to obtain training and develop themselves.</p>	<p>Strong mechanisms to control individual behaviours. Close and specific supervision. Leadership exerted by means of orders and instructions from the person holding a higher power to give rewards. There are no mechanisms to negotiate with competitors or pressure groups that could either facilitate or obstruct the organisation's activities. Permanent concern for the legal framework. There is no organisational area devoted to Research and Development. Incentives, wage adjustments, trade union activities, training, social and fringe benefits are granted in strict accordance to the standing laws.</p>
<p>Nature of human activity.</p> <p>Passive/receptive. If they are not prodded they do not move. Locus of external control. People avoid punishments.</p>	<p>Classical philosophy (Fayolism) Emphasis on technical aspects of the productive process</p>	<p>Structures, procedures and rules are subordinated to the leadership style of the Upper Management. Systematic interest in optimising production systems. Strong mechanisms of control and punishment.</p>
<p>Criteria of validity and reality.</p> <p>Authority. The power that people have or is ascribed to them.</p>	<p>The activities are structured around the Upper Management. Military model. Loyalty and reliability are the most important criteria in evaluating performance.</p>	<p>The orders and instructions originate from Upper Management, that evaluates compliance and determines rewards and punishments.</p>
<p>Temporal Orientation.</p> <p>present/past. The attainments and failures of the past more important than the actions currently under way.</p>	<p>Emphasis on controlling the behaviour of the individuals. Budgetary control. No motivation concerning the management of Human Resources.</p>	<p>Close supervision of tasks. The areas devoted to monitor Operations and Accounting are the most important management efforts.</p>
<p>Human nature .</p> <p>Evil, not perfectible. When people join an organisation they have a personality which is already shaped and it can not be changed.</p>	<p>Emphasis on controlling and supervising personnel.</p>	<p>No participation of subordinates in decision-making processes. No training.</p>
<p>Interpersonal relationships</p> <p>centred on authority. "He that comes first to the hill, may sit where he will"</p>	<p>Strongly hierarchic relationships. People relate to each other in a functional manner. Focused on people's interests. Competitive in terms of resources and power. Upper Management relates in an authoritarian way to subordinates.</p>	<p>Vertical organisational structure, each position functionally reporting to a direct supervisor associated with the task while, at the same time, there is a direct intervention of the Upper Management. There is no delegation of functions. Informal influence groups.</p>
<p>Organisational diversity.</p> <p>Homogeneity.</p>	<p>People display some degree of conformism and acquiescence in their behaviour.</p>	<p>All members of the organisation dress in a similar way. The incentives and benefits are distributed in an arbitrary manner by those who are in a position of authority. Private evaluation: criteria not well defined. People consult with the person they report to before relating to a client.</p>

ii. The Optimistic or Maniac Organisations

We have designated this type of organisational structure as the optimistic paradigm because in it we find a positive general attitude in which people assume that everything is well or will be better, that it is possible to do what they want to do within a setting where there is no critical sense as regards the restrictive reality they are faced with.

In what respects their connection with the environment and the target market, their perception is that both can be controlled; it is believed that by making an effort in the right direction the conditions of the environment can be modified, that consumers can be influenced, that they can do better than their competitor, that the legislation can be changed so as to obtain some specific advantages, etc..

This vision expresses itself in the existence of long term plans, sustained on definitions of what is desirable, "we want to be the leaders in the market over the next years", though not always with enough information and backing to sustain it in a realistic manner. More than long term plans they are expectations that trigger action and sustain it over long periods of time.

From this paradigmatic outlook, organisational and individual activities that are conceived as being most human are those that either bring about changes, cause innovations in the way of life of people or introduce new concepts into social life. The actions that human beings should perform are those that anticipate themselves to changes, those that change the historical course of events. The world and the market are there to be modified and to be placed at the service of those who bring about changes.

The most important decisions, as well as those which pertain to everyday life, are solved by applying analytical procedures of different types: experimentation, simulation, critical analysis of relevant

information, consultation with specialists or a systematic analysis of possibilities in relation to the different parameters affecting an organisation in future scenarios.

The validity and reality of an explanation or a decision are defined in terms of their relationship to the important future changes for the organisation's members on the basis of the aforesaid criteria.

Everyday activity takes place in the midst of the problems and circumstances of the present and their future projection. Regular formal or informal planning regulates and organises the actions to achieve some mid- and long-term objectives.

Interpersonal relationships tend to be egalitarian, with flat and flexible structures, where people are polyvalent and interchangeable at the level of organisational effectiveness.

Team work is the most suitable form of activity for them and members of the organisation prefer it. The connections between the people include a strong emotional component which goes beyond the frame of reference of work and the organisation.

If Optimists are asked to describe the habitual manner in which work is done in the organisation, they speak of "efficiency", "loyalty", "humanity", "calmness", "systematic effort", "people's experience", "professionalism", "pressure during working hours", "maximum individual knowledge of the function performed", "very committed workers", "to work without making any mistakes", "always have a lot of work and at accelerated rhythm", "people working in an responsible manner and giving the best of themselves in each function", "the interest in quality".

Of the behaviours which drew their attention the most when they joined the organisation, they mention "occupational safety as compared to the instability of the environment", "the importance of the informal

channels to obtain internal information", "the people's professional level", "the absence of control", "the protection that the organisation gives to the personnel", "the distrust of the career personnel in relation to the professionals", "the fluency of interpersonal relationships", "the good relationships among the personnel".

Cultural paradigm	Organisation / environment	human activity	criteria of validity and reality	temporal orientation	Human nature	interpersonal relationships	organisational diversity, the organisation rewards:
Optimistic	domination: the organisation attaches more importance to those elements that can have an impact on the behaviour of either the market or the consumers.	Innovative, proactive: the organisation has mechanisms that reward both new ideas and the ability to anticipate facts.	Expert, simulation, experimentation: the activities undertaken are based on members' expertise, the discussion and analysis of problems and, in addition, through research and simulation.	Future / present: the organisation has administrative mechanisms aimed at anticipating future conditions and in terms of this it develops plans and programs.	Good / perfectible: the organisation conducts, promotes and encourages training activities for its members.	Distributed: team work, affective, collectivistic, cooperative, participatory leadership.	Heterogeneity, innovation, creativity.

With respect to the changes that they have observed in the behaviour during the time they have been with the organisation, they indicate that "there is an increase in the interest of the persons for personal specialisation", "a greater interest in the attention of the clients", "a greater participation in the decisions at all level", "a greater integration among young professionals and the career personnel", "greater interest of the people for training", "better communications", "greater consideration in the relationships of the people".

Associated with these changes, they indicated that there were also some elements affecting the organisation such as "the privatisation and restructuring process", "a strong growth of investments", "change in the leadership and in the Upper Management the organisation characterised by a new approach", "training program in total quality", "concern for the overall training of the personnel", "changes in work

procedures", "new work procedures that call for an increase in the participation in decisions of work", "training in team work".

The people think that the organisation's principal goal is "to increase its participation in the market", "be leaders in the market", "to maximise the value of the organisation", "sustain itself over time", "to satisfy clients", "to optimise profits", "to obtain products at low costs", "to have solvent and efficient administrative processes".

Upon describing the impression they had when joining the organisation in terms of the reception and treatment obtained, they mention the social aspects of the work: "that this is a modern organisation that attaches importance to people and treats them well", "that there exists great warmth and consideration in the relationships of the people", "that one joined a planned and orderly organisation", "that people are well disposed to give help and support", "the environment makes one feel at home", "one joins a big family".

The features that are underlined when we ask for a description thinking of an eight year old child state that "it is a great organisation where one knows all co-workers and one can perform well", "it is a organisation where one has to study and work hard to succeed", "as mum's kitchen, an organisation where one works a lot and has good time".

When asking about the origin and development of the organisation, most of the members report and describe anecdotes and as a rule give a vision of the history of the organisation because "we all know the organisation's history because we have had talks about it", "when one joins the organisation it has been explained", "it is known because the more senior members always tell stories about the organisation and what happened in it at different times".

The organisation's growth and success is explained "because there has been a permanent modernisation of its management", "because it

always has paid its personnel well while at the same time requiring improvements in processes and technologies", "because it has a good knowledge of the market and of the competition", "because of the quality of the personnel, the quality of its products and its good management".

The people that work for the organisation are "as all the Chileans with virtues and defects, but our leaders know how to get the best out of us and conceal the bad aspects", "very professional", "with much fondness and respect for fellow workers", "hard-working people, involved and willing to accept changes", "the same as those who do not work here, concerned to do things well", "people interested in their professional development", "they are highly qualified", "they are very heterogeneous".

Those who succeed in the organisation are "technically very capable", "those which take up leadership", "people with much experience, intelligent, with decision and deftness to face different situations", "the non conformists, with great ideas and many interests who have good ability to cope with the strategic points in the organisational structure of the organisation ", "they have many friends in key positions in the organisation", "they are people who want to do something different and strive to do so", "they are gifted, they have creativity, they are daring, like to take on risks, make decisions, they are leaders".

The relationships of the people working for the organisation are "generally very good", "of fellow workers", "of mutual respect, of great trust and harmony among people", "very familiar", "of team work".

A typical day in the organisation "begins at 7,30 a.m. and ends at 5.00 p.m., in that time all pending tasks are finished, new ones are begun or planned and at noon there are 45 minutes for the staff to have lunch and relax", "at the beginning of the day time is spent on pending tasks,

at mid-day new assignments are started and, in the afternoon, work is carried out thinking of the next day".

The most important activities are "depending on the work area, attention to clients, budgeting, projections, evaluations and forecasting", "depends on what one is responsible for, but always it is most important to relate well to the people in order to perform ones work".

People are rewarded in terms of "their commitment, productivity and quality", "their spirit of personal growth, companionship and co-operation", "their participation and ideas that they may contribute, "their ability to learn", "to assume leadership", "their ability to find solutions", "their ability to propose solutions to the problems", "attainment of goals and objectives".

The documents that circulate internally deal with "the results obtained", "budget", "future plans", "evaluations", "requests for information", "answers to requests for information", "specifications of plans or projects", "varies in each area of the organisation", "on policy changes or new plans".

The relationships Upper Management/subordinates "as a rule they are good", "very integrated", "there exists great communication and support at the lower levels", "with a high degree of personal trust", "are open and of mutual respect, but they could be improved".

The changes that could take place in the future are to "increase the amount of work", "greater flexibility in procedures", "greater commitment to the clients", "more team work", "greater concern for quality".

People join the organisation because they are aware of "the good wages and benefits that exist", "the prestige and size of the organisation", "the possibilities for professional development that the organisation

offers", "the occupational stability that exists in the organisation", "many things can be learnt", "the organisation's image", "its reputation as an acknowledgedly sound organisation".

The most gratifying aspect is that "they consider that members are people who are able to think", "the work performed helps one to grow as a person", "one is allowed to take decisions and can rely on the support of the Upper Management", "it supplies a service/product of quality that serves the community", "one feels that one is a part of a large organisation", "the professional and intellectual challenge that the tasks involve", "the conditions of job security and stability", "the clarity of the information".

What is not pleasant about the work is that "some place a great importance on the profit to the detriment of the quality of the service", "sporadically there are very unbalanced work loads from one area to another", "there are very relaxed days followed by a great amount of work", "at times the work becomes monotonous", "one is not considered in finding a solution to the problems", "the rush work", "criticisms are not very constructive".

The people working in the organisation would go to work elsewhere to "obtain better perspectives of professional development", "to do away with the excess of responsibilities that one has", "to enhance ones possibilities, because at present one has reached the ceiling", "to obtain a better income, which is difficult, though not impossible".

The kind of information about of the economic sector or of the industry that people have in the organisation is related to "the technological development", "the organisation's position in the market", "the evaluation of the organisation's strengths and weaknesses as compared to the competition", "the financial standing of the organisation and of the sector", "the value of the shares", "the clients", "participation in the market", "growth", "results of the organisation and the competition".

Decisions are taken "according to the level of importance by the Board of Directors, the Management or the Unit Head", "as a rule by the Upper Management", "it depends, sometimes they are technical level decisions - professional and on others they are of an executive level".

People, by complying with the proposed goals and by doing their work on time, expect "possibilities for professional development", "promotion", "a higher income", "respect", "personal satisfaction", "recognition from the other people who he/she is working with".

Optimistic	Organisational Characteristics	Organisational Practices
<p>The organisation's relationship to the environment</p> <p>Domination. The organisation has the power and the means to exert influence on its environment to make it more favourable to its interest.</p>	<p>There are reward mechanisms for innovation and new ideas. The development and training of the people is encouraged. There are plans and programs linked to the development of people.</p>	<p>Administrative support is provided to new activities. The normal budget considers an item for Research and Development. Both management and subordinates participate actively in negotiation and development efforts that directly or indirectly affect the organisation: ranging from trade union and political activities to scientific and religious ones. Permanent interest in technological changes and in new management approaches. Policies of incentives, bonuses and benefits linked to results obtained.</p>
<p>Nature of human activity.</p> <p>Proactive/Innovative. They must be given elbow room to act on their own. Locus of internal control. People are inclined to self realisation.</p>	<p>Humanist philosophy. Emphasis on interpersonal sensitivity. Socio-technical approach in designing work, emphasis on the social aspects of work.</p>	<p>Participatory style of leadership and group work is more important than formal structures, procedures and regulations. Systematic evaluation of occupational satisfaction. Programs aimed at organisational change to improve social conditions of work. New ideas are rewarded.</p>
<p>Criteria of validity and reality..</p> <p>Expertise. The knowledge, skills and abilities that individuals have or are ascribed to them.</p>	<p>Emphasis on investigating reality. Experts have greater status. Creativity and knowledge are the most important criteria in evaluating performance.</p>	<p>The instructions and procedures are elaborated by those who do the work. Quality circles, lines of excellence, etc..</p>
<p>Temporal Orientation..</p> <p>Present/distant future. The opportunities that are assumed for the future model the actions in the present.</p>	<p>Strategic Planning or long-term planning exercises. Induction, training and development systems and programs for personnel.</p>	<p>Management by Objectives and Results. The Planning and Research Units are valued the most. Planning in Human Resources area.</p>
<p>Human nature.</p> <p>good, perfectible. By nature, people tend to purchase things.</p>	<p>Emphasis on members' autonomy, initiative and motivation in relation to work.</p>	<p>Active participation of the subordinates in designing tasks, plans and programs. Permanent training activities in many areas within an overall development plan.</p>
<p>Interpersonal relationships..</p> <p>Centred on the group. "All for one, one for all"</p>	<p>Emphasis on group relationships. Broad affective links, focused on the group's interests. Involvement and co-operation in fulfilling tasks. Participatory leadership.</p>	<p>Flat and matricial organisational structure. Frequent work meetings. Administrative support to the development and specialisation of the members. Delegation of functions and authority at the levels at which tasks are performed. Many informal relationships in connection with the tasks.</p>
<p>Organisational diversity..</p> <p>Heterogeneity</p>	<p>The members show their creativity, capacity for innovating and for critical evaluation whenever the opportunity is fit for it.</p>	<p>Each member dresses in a different way. Incentives and benefits are homogeneous and common to all members. Public and collective evaluation of performance. People relate in a direct manner to the clients.</p>

iii. The Pragmatic or Bureaucratic Organisations

In this case we are dealing with a conception that perceives organisational reality as a problem to be dealt with and solved in the most efficient manner possible, that is, on the one hand, punishments and costs have to be avoided, and on the other, benefits and profits have to be obtained by means of the smallest effort possible. The general impression is that of complying with a contract, with a very low commitment to the organisation.

Cultural paradigm	Organisation / environment	human activity	criteria of validity and reality	temporal orientation	Human nature	interpersonal relationships	organisational diversity, the organisation rewards:
Pragmatic	harmonious coexistence: the organisation is concerned with supplying a product and/or service up to the standards of the market.	Contemporizing / reactive: the organisation rewards compliance with procedures, meeting deadlines and results achieved on time.	experience: the activities are developed on the basis of its members' experience and seniority.	Present / future: the organisation projects its present situation to the future through plans and programs.	Neutral / perfectible: the organisation conducts training activities for its members, but it does not encourage or promote them.	centralised: hierarchic, functional, group-oriented, collaborative, bureaucratic leadership.	diversity, tolerance, predictability.

With respect to the relationship to the environment, it is conceived in terms of an harmonious coexistence, where what really matters is to provide services and products that fall within the expectations of the consumer, both in quantity as well as in quality.

Human activity is perceived as reactive and compromising, that is to say, problems are to be solved as they arise within the limits, norms and definitions that have been set by the organisation and the environment. To comply with what the goals, objectives and regulations prescribe, becomes the most important and specific aspect for the organisation's members.

The criteria enabling us to determine the degree of validity and reality of the decisions and background information sustaining them stem from

the individual experience obtained in the organisation and at work. What is learnt over the years of interaction within the organisation is what enables us to define those actions that are best and most acceptable and where the criteria of rationality and efficiency are altogether alien.

In terms of the temporal dimension within the organisation, people live as if the world were relatively static; they relate to the environment by performing exercises that involve linear projections of past facts into a near future and estimate the consequences and internal social changes rather than defining expectations of success or improved positions in the market.

The conception of man is neutral. Intrinsicly, he is neither good nor bad, but perfectible. Consequently, if individuals persistently express a desire to improve, to be trained and to develop within the organisation, the latter finds the mechanisms to meet their needs in this respect. However, everything would seem to indicate that the organisation neither encourages its members to take any action in this respect nor does anything at all to create the necessary conditions.

Interpersonal relationships are conducted within a strongly hierarchic and stratified context and tend to be functional, even though they may become cheerful and seemingly friendly in the course of day-to-day interactions. Inside the organisation, there is a tendency to develop pressure and interest groups, which in some extreme cases become true feudatory systems.

The spirit that prevails among the people of the different areas is of co-operation, congenial; inside the organisation there is also a tendency to satisfy the needs of the others, within a setting of shrewdly reckoned reciprocity and strong social ties ("compadrazgo") that is very much related to the possibilities of a promotion, power and influence over others.

As a rule the leadership style of Upper Management is bureaucratic and its main task is to monitor the compliance of procedures and norms, as well as generating those which are deemed to be necessary at a given moment: the participation of the people is restricted to those who belong to the circle of close friends of any person who holds a position of authority.

As a rule, it can be observed that social control operates by rewarding some degree of diversity within pre-established limits for each hierarchic level and functional area; to accept differences is a desirable value. Finally, the predictability of behaviours over and above diversity seems to be the most important aspect in this kind of organisation.

For the members of a pragmatic organisation the habitual way to handle the work is described in terms of "much planning", "much control", "efficiency", "comply with duties", "responsibility", "routine", "formalism", "punctuality", "perseverance", "contractual duty".

The behaviours that struck their attention the most when they joined the organisation were "the discipline and order of the functionaries", "hardly any communication among the personnel", "distrust toward the new-comer", "that decision-making was restricted only to the management levels", "the control exerted by the management and the way in which it monitored information", "great formality in interpersonal transactions", "much bureaucracy and internal paper work", "clearly defined hierarchies", "the competition taking place among the organisation's members to become closer to the Upper Management", "the groups of friends", "the amount of procedures and manuals that they had to be aware of".

The changes that they have observed over time are related to "a clear decrease of the motivation and interest of the persons in their tasks", "an increase of planning activities", "much concern about costs",

"increase in the conflicts among the groups", "to a greater seniority, a lesser interest in the work", "less concern for what others do".

The events that have occurred and are linked to those changes are "acquisition of new technology", "incorporation of new people", "changes in the structure", "new divisions have been created", "increase in the activities", "elimination of incentives".

In relation to the principal goal of the organisation, this is defined as "to maximise the profits", "to make money for the shareholders", "to cut costs down", "to make a profit for the owners", "to obtain greater profits", "safeguard the reputation attained", "to sell as much as possible", "to increase sales".

The impression people have when they join the organisation as regards the reception and treatment given to them is "that the work that is performed is important, though not absolutely essential", "an image of a great organisation, sound and stable", "a good impression because the reception is kind and congenial", "they feel like conversation pieces when they just go in, though there is something functional and impersonal in everything".

The organisation could be described to an eight child years as "as a very committed organisation", "like a soccer team, where several people perform different functions under the surveillance of a coach", "a place where the owner buys things to sell them to other people", "as a store where there is an owner and people working there and where other people come to buy the wares on sale", "as a school and the work are the tasks that have to be done".

About the organisation's origin and development, the people have a partial and anecdotal knowledge, in terms of things such as "the organisation started from scratch and due to the tenacity of the owner it grew", "the organisation has developed owing to the excellent

commercial vision of the management", "the organisation was an initiative of the partners and its commercial development is based on the better technology it resorts to".

The reasons that explain the organisation's growth and success are "the owners' ability to see the future", "the good administrative organisation", "top technology", "the quality of the administrative work", "the planning and commitment to attain the goals", "the perseverance", "the stable policies of the organisation", "the professionalism of its personnel", "the good leadership of the organisation", "the timeliness and quality of advertising".

The members of the organisation are "cautious people", "judicious", "reserved", "responsible", "efficient", "cooperative". The persons that succeed in the organisation are those that "are loyal to the organisation", "are disciplined, punctual and efficient in performing their duties and responsibilities", "are devoted to their functions", "are professional-minded, hard-working and abide by the organisation's procedures", "are constant in their work", "are persevering and practical", "are observant of the structures and tradition of the organisation "

The typical day elapses "in an intensive activity in which each one performs the functions he/she has been hired for, "doing what has to be done in the most efficient manner", "but, always one has to work overtime to finish the tasks".

The activities which the people attach most importance to are "to record internal information, seemingly more important than serving the clients", "analyse sales orders and credit notes", "to supervise purchases, sales, etc.", "to control", "review tasks", "all is more or less important, but the foundation of everything is production, which the front-line people carry out".

People are rewarded "by the quality and constancy in their work, "the attainment of the objectives set", "daily attention to their work", "their formality", "their loyalty", "their timely submission of their assignments and their performance", "their efficiency and responsibility", "their punctuality in submitting results".

The documents that circulate internally are usually related to "changes in internal procedures and changes in the legal framework", "changes in prices and product", "issue procedures and instructions".

The relationships of the Upper Management to the subordinates is "severe in irregular situations", "Upper Management sets the objectives and the subordinates have to attain them", "with hierarchy and much respect", "of orders and implementation", "direct", "diplomatic", "dependent on hierarchic levels", "a higher the hierarchy and seniority in the organisation, deserves a more egalitarian treatment".

The changes that are envisioned as possible for the future of the organisation are related to "growth in infrastructure and technology", "consolidation of the organisation in the market".

People join the organisation because "it is a stable work and not badly paid", "to obtain a wage at the end of the month", "for the image of stability that the organisation projects", "job security".

The most pleasant aspect of the work is "to feel that one is a piece of a system that requires the knowledge and abilities that one has", "the administrative infrastructure", "the due and timely payment at the end of the month", "the peaceful working environment"

What displeases people about the work is "the amount of overtime", "that after a short time activities become monotonous", "that there is excessive control", "the lack of time to carry out their personal activities", "the great work-load".

People would leave the organisation on account of "higher wages elsewhere", "a working schedule more compatible with family life", "greater professional projections".

The most frequent and important information that members have of the organisation's industrial and economic sector is "a knowledge of the product", "information on vendors", "technical information on the productive processes". Those who obtain the information are "the managers, because they should know, decide and control". The decisions are taken by "the managers".

The rewards that the people expect by performing their work in terms of the proposed goals and on time are "a greater income", "economic incentives", "promotions", "job security and stability".

Pragmatic	Organisational Characteristics	Organisational Practices
<p>The organisation's relationship to the environment</p> <p>Harmonious coexistence</p> <p>The organisation lacks the power to modify its environment, but has the means to find a favourable niche in keeping with its interests.</p>	<p>Achievement of goals and objectives through established procedures is encouraged. Innovation is accepted if the risk is borne by whoever takes the initiative. Requests to participate in training activities are accepted, though they are not included in a general training programme.</p>	<p>Administrative support exists for regular and customary activities, though eventually a part of the resources can be used to develop new ideas, through internal negotiations with the Upper Management. No resources for Research and Development are allocated through the normal budget, but this is not an obstacle to such activities. The participation of the organisation's members in activities and in other organisations related to the undertakings of the organisation itself is evaluated in a positive way, providing that there is no interference with the normal operation of the organisation's activities and when their contribution to the improvement of the conditions to attain organisational results is evident.</p>
<p>Nature of human activity.</p> <p>Reactive/contemporizing. Incentives stir people into action. Locus of external and internal control. People are oriented to development if associated rewards exist. They seek pleasure.</p>	<p>Human Resources Philosophy (Human Capital Formation). Emphasis on incentive systems associated with performance. The design of work considers both social and technical aspects.</p>	<p>Bureaucratic style of leadership and limited to abiding by formal structures and procedures. The job description is more important than the tasks. The attainment of goals, plans and programs is evaluated.</p>
<p>Criteria of validity and reality..</p> <p>Experience. Seniority in the organisation and the level of knowledge of the organisation that individuals have or is ascribed to them.</p>	<p>Emphasis on avoiding conflicts. Systematic enforcement of rules and procedures is to avoid conflicts or ambiguities. Punctuality and due performance of tasks are highly valued.</p>	<p>There is a clear formal definition of activities assigned to the job positions held by individuals. Specific instructions are prescribed therein. All exceptions stem from informal negotiation processes.</p>
<p>Temporal Orientation..</p> <p>Present/near future. The projection of the results that are being obtained define the actions undertaken.</p>	<p>Exercises to project short- and mid-term results. Systems and programs to select personnel and administrative support to manage them.</p>	<p>Bureaucratic Management. All the areas have a similar relative weight.</p>
<p>Human nature..</p> <p>Neutral. Some people wish to change and they can do so while others can not change or do not want to do so.</p>	<p>Emphasis on definition of roles.</p>	<p>Restricted participation of subordinates within the scope of their own activities. Passive participation in job descriptions. Restricted and specific training activities, though there is no structured formal program.</p>
<p>Interpersonal relationships..</p> <p>Centred on roles "to be between the devil and the deep sea"</p>	<p>Hierarchic and functional relationships, as prescribed by job definitions. Centred on fulfilling tasks. Bureaucratic leadership.</p>	<p>Vertical and functional organisational structure. Formal delegation of functions according to internal rules. Organisation and methods manual, that is systematically defined and evaluated. Informal relationships are outside the scope of the organisation.</p>
<p>Organisational diversity..</p> <p>Diversity</p>	<p>Tolerance, tactfulness in dealing with others in usual interactions and permanent bargaining seem to be the traits of everyday behaviour of the organisation's members. Members' behaviour is characterised by predictability.</p>	<p>There are differences in clothing according to the status within the organisation. Benefits and incentives are different depending on the status in the organisation. Formal evaluation based on standardised procedures. Members relate directly to the client only in those matters that correspond to their status.</p>

3. Administrative Practices And Characteristics

To attempt to describe and analyse all the elements, processes, systems and structures which are presenting organisations in a given region is beyond the capacities of one individual or of a team of people. What can be attempted is a partial approximation to the phenomenon on the basis of paying attention to some elements which consider "critical" or "diagnostic", in relation to the *raison d'être* of organisations; maximisation of returns. We now will present information regarding the administrative characteristics and practices organised in terms of three aspects: human resources management, marketing management and financial management.

a. Human Resources Management

Any organisation, regardless of its specific purpose, philosophy, industrial sector which it belongs to, etc., needs people to perform the activities leading to the attainment of goals, objectives and results.

Research on Comparative Management clearly shows that, in general lines, the administrative methods, in their most formal and technical aspects, originate from the theory and practice of Scientific Management developed in the schools of Business and Management in the US

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Every Culture has its own ethos, by means of which it reinterprets the techniques acquired through processes of trans-culturation/acculturation, generating a new interpretative reality³³.

³³ Acculturation refers to the phenomena which result when groups of individuals having different cultures come into continuous first-hand contact, with subsequent changes in the original pattern of either or both groups. Acculturation is the process by which the beliefs and practices of one community diffuse across the boundaries of another and subsequently alter the second community's practices and interpretations (Redfield, Linton and Herskovits, 1936, cited in Barley, 1988, page 27).

In the area of organisational administration, the ways in which people relate, the techniques, models, etc., according to Abegglen³⁴ will be effective in economic activity in a given country depending on the country's culture; principles of business administration are not absolute: they are relative to the culture of the society".

An example that can illustrate what has been pointed out. Computers have the evident purpose of rendering the task of arranging, computing and relating information, on a quantitative basis, much easier, more expedient and more efficient, so that we may optimise the effectiveness of our responses to the needs that exert pressure on us.

In Chile, there exist computer facilities (in their P.C. version), exceeding the capacities to meet the needs at least in an effective manner, though, in addition, this is frequently tied up with a minimal or non-existent policy to adequately train people to use them effectively.

However, this is not relevant for the organisation. If we look at it from another perspective, we discover that what is important for the organisation and its members is to have this technology (even though it is not used), because it represents the degree of modernisation, progress and proficiency attained. From a productive tool, it becomes a status symbol.

In Chile, in the aftermath of sustained efforts "to modernise" the management of firms and to professionals the managerial activity, an important part of the companies that started as family micro-enterprises, and have now become small firms, are resorting to or have at some moment of time applied some of the many modern administrative technologies, such as, for instance, management by objectives and results, quality control circles, base zero budgeting, etc. that correspond

³⁴ cited by Bettignies (1973, page 75).

to those which are usually well described in any of the text-books that all Business or Management students are familiar with.

However, these attempts, in most cases, amount to nothing but paying lip service to novel approaches which never succeed in becoming a part of the everyday practices within the organisations.³⁶

i. Organisational Structure

Any situation of interaction, that holds out through time, tends to generate a relatively stable structure, which in turn supports and accounts for the characteristics of the relationship.

In the organisations that we have studied, we have always found some type of formal and explicit definition of the organisational structure. The exaggerated and disproportionate use of titles for positions is common within Chilean firms, as for instance, to designate the person who supervises the work of a team of two or three salesmen as the "Commercial Manager", or to call a salesman a "Sales Representative".

Over and above the superficial aspects associated with the nomenclature for the positions, it can be observed that it fulfils the function of giving an order and hierarchy to the relationships of the people within the company. The titles of job positions, however, can be deemed to be fictional ones, in the sense that they do not necessarily involve being vested with any power or capacity to make decisions and in many cases they more often than not only indicate the distance of the person with respect to the real power (and thereby, their capacity to exert any influence on those taking the decisions) or in the best of cases they imply the loyalty of the person to the management or owners of the firm. In a few cases, these were a clear expression of

³⁶ ICARE, (years 1988 to 1992)"National Meeting Of Enterprises; Final Report". Santiago, Chile.

achievements or outstanding performance of the person holding the position.

In some cases, the nomenclature used only fulfils a business function and is irrelevant within the internal context of the company. If, for example, a salesman of wicks for kerosene heaters wants to obtain a sales contract with a bigger company, and he has to relate with the Procurement Manager of the latter, it is likely that for the purposes of these transactions he "becomes" the "Sales Manager", and by virtue of this fiction, the commercial deal comes to be a relationship between peers.

If on the other hand, we focus our attention on the "real" structure that organises behaviours inside the firms, we discover that there exists a clear definition of the hierarchies, centred in the General Management or the owner, where the delegation of authority is effected, in the first place, on the basis of trust and loyalty shown throughout years and, secondarily, on the basis of the expertise of the individuals.

Most frequently, the activities of analysing and evaluating the situations and problems will be delegated to individuals, but the decisions will rest with the Upper Management.

In nearly all firms, it is possible to find an organisation chart in the offices or working areas of the Upper Management. This chart is suitably framed and hangs in a visible place. However, functionally it is nothing but a token of the modernity of the firm, and in no way represents the real relationships of authority and hierarchy within the organisation. Accordingly, the organisation chart shows all the members of the organisation, where each person has a "title of nobility" reflecting his/her relative value within the organisation.

Changes in the structural design of the organisation are frequent and can be accomplished very quickly and they are used to solve conflicts

or job dissatisfactions. Clearly, these changes are not attended by real changes in the relationships of power within the organisation, but they may represent at a symbolic level, the greater or lesser relative value attached to the holders of the positions by the Upper Management.

Changes are never a response to an anticipation of the challenges or opportunities to be eventually faced by the firm in the future; in most of cases, they respond to reactions to de facto situations and are not always a timely response to solve the problem originating them: for instance, a position of greater hierarchy is created to satisfy the expectations of some particular individual and, instead of doing away with the original position, the tendency is to fill it with another person, which leads to generating an unnecessary structure.

Another interesting aspect featured by the structures is the double standard by which they operate; the organisation operates within an atmosphere of normality and the structures have the symbolic value mentioned earlier, but as soon as difficulties, failures or conflicts arise, they are used to come up with the person responsible for the problems, failure or difficulty, and to adopt the corresponding penalising measures.

Headcount.

There exists a long tradition of studies concerning the organisation of work and organisational design with respect to estimating the size and characteristics of the headcount needed by an organisation, in terms of the complexity, quality and quantity of the activities performed within it.

The number of firms where some thinking is devoted to this aspect of the organisation are very few and the number of firms where there is a systematic application of technical criteria to determine the real needs of people and positions to carry out the organisational tasks is even lower still. In general the criteria are to follow intuition, to replicate what

has been done in other places or else to go by what is fashionable in the entrepreneurial and academic domains.

Only large companies, as is the case of some Banks or international companies, have on some occasion conducted a systematic study of the tasks that need be performed and the personnel required to perform them; this, in most cases, has been due to the influence of some trend. As an outcome of their origin, these studies and their results have been forgotten with time and reality at present shows how intuition, influences and friendships, "the struggles for internal power"³⁶ are the criteria that play a more relevant role in determining the headcount.

Recruitment and Screening.

It is only a question of common sense that all people do not have the same capacities, abilities, interests, aptitudes, etc. and hence not all individuals can carry out the tasks that are specific to any job. To be relatively successful in attaining results, it is necessary to make the requirements of each position coincide with the physical, social and psychological characteristics of people.

When organisations want to recruit personnel they have access to three possible sources: by resorting to the specialised services of external consultants, by using the internal expert services of the firm and by resorting to contacts and relationships of the members of the organisation.

In most of the cases studied by us there does not exist a formal recruitment system involving the participation of specialised personnel to carry out the process.

³⁶ In some cases, it was possible to observe the laws of Parkinson (1958) in operation in what respects the multiplication of subordinates and work. He stated that any person in a position of responsibility wanted to multiply his subordinates and not his rivals and he further added that those in a position of responsibility gave each other work mutually.

When there is the need to hire somebody, either "contacts" or friends are resorted to so that they may recommend some acquaintance, a method leading to a chain of recommendations to warrant the "moral" quality of the new member of the organisation. This modus operandi makes it possible to exert control over the behaviour of people by means of the network of relationships. In addition, the use of this procedure affords the "collateral security" of the person recommending the potential new member.

In the firms of a larger size and complexity, there is a formal system that is responsible for this process, by resorting to the specific techniques that are required: technical and psychological evaluation of the candidates, etc. However, despite the seemingly technical nature of the procedure, invariably "contacts" and friends that recommend other parties exert a great influence on the final decision of hiring a new member.

The greater or smaller technical formality of the process varies significantly according to the quality of the position and the required qualifications. In less specialised positions and of a lesser relative value, informal relationships are the ones that play a dominant role in the recruiting and hiring process, whereas in the positions with a greater specialization and organisational status, a technical selection becomes more relevant, without ever doing away with the influence exerted by informal relationships altogether.

Only some firms, usually international companies and very large national ones, use the services of external consultants, but even in these cases personal contacts come to be of great importance at the moment of taking the final decision.

In actual fact, in the few companies which apply technical criteria in their screening process, preference will always be given to hiring somebody with references and recommendations from persons linked to

them through relationships of friendship or "compadrazgo"³⁷. b. applies internal formal criteria of the company

An extreme case that we have become familiar with through our work as an external consultant is that of some large State-owned enterprises, as is the case of CODELCO (Chilean Copper Corporation), the National Colliery or the National Maritime Company where it is taken for granted and within the frame of historical negotiations according them a special priority, that the children and next of kin of a worker will be hired by the company, only by virtue of this fact. The only exception is applied when it comes to hire people for positions in the upper levels of the companies, where the political variable plays a more significant role than any other.

Retaining and developing human resources.

Training and/or upgrading the skills and abilities of the personnel working for the organisation is an aspect for which there scarcely exist any policies and well-defined systematic plans. Participation in these activities is restricted basically to those who are personally interested in them and who, in addition, obtain the approval of the Upper Management, which in turn uses training and related activities as a type of reward for good performance. The training that most of the people receive is related more to their own personal interests rather than to the organisational needs.

The organisations that conduct training and intra-company personnel development activities are very limited in number and, as a rule, they are large companies. These activities, in most cases, are implemented by contracting the services of external experts or else the members of the organisation attend public programs offered by institutions aimed at providing training in the different administrative areas of organisations, such as for instance, universities and organisational consulting firms.

³⁷ The "compadre" system or "compadrazgo" is deeply ingrained in the Chilean social fabric.

Training activities, depending on the hierarchical level they are aimed at, acquire different characteristics. The upper levels of organisations participate in programs aimed at "updating" their knowledge, the intermediate levels attend programs aimed at "upgrading skills and abilities", whereas those from the operational levels at the bottom of the organisation go to "training" programs.

Over and above this distinction, many of these programs have the non-explicit objective of serving as a place where peers, people holding similar positions in other organisations, meet -- so much so that many seek the presence of people that have a better position in another organisation -- so as to establish business contacts, keep abreast of what is happening with the competition, identify new business opportunities, obtain information on better job positions, etc.. Sometimes this objective becomes the central criteria in evaluating the quality of the training activity.

For many, participation in training activities becomes an important criterion when evaluating either the relative value of the position or the performance of individuals.

Personnel Turnover.

The value that the organisation grants to the investment it makes in its members is reflected, at least partially, in the effort that it makes to retain its personnel over long periods of time.

A low turnover of the personnel in the organisation can be an indication of the fact that there exist opportunities for growth and development within the organisation and that the members of the staff are satisfied with the remuneration received for their work, etc. All the more so, if this is evaluated within a context of general growth of the country's economy and with a low unemployment rate. Obviously, this same

indicator could have a completely different interpretation if it is analysed within a different context.

As in all organisations there exist stages of growth that involve the hiring of new members and, in addition, the natural replacement of people who either obtain their retirement pensions or move to other organisations, leads to a condition by which people with different years of tenure within the organisation work together. We have considered these criteria when classifying organisations in relation to their rate of personnel turnover.

Job Evaluations.

In the literature on administrative and organisational issues it is possible to come across many technical procedures to estimate the value of the contribution of each job position to the attainment of the organisational results, ranging from those that evaluate the cost of generating the abilities, knowledge and skills required for an effective performance of the tasks to those that do so by estimating the supply and demand of each type of specialist³⁸.

Most of the companies studied do not always have a technical procedure to evaluate the positions and in that case generally the most resorted to criteria is that of informally finding out through personal contacts which is the salary that is being paid in the geographic sector or in the industry to a person who performs a set of activities described in general and ambiguous terms.

³⁸ There are basically two procedures for evaluating performance: by assigning scores to certain traits required to perform the tasks that are specific to the position, as, for instance, level of educational attainment, experience, abilities, etc.. and by a relative hierarchy of the positions as a whole. On the basis of these two basic procedures, each of which has its own technical specifications, it is possible to find several alternatives. A more complex procedure, The Hay system, also considers the relative value of the positions in the market, besides the criteria mentioned before. It is very common in transnational companies, such as Lever, Shell, etc..

Over the last years the larger sized companies have included wage surveys and the participation of technical personnel as criteria to evaluate their job positions.

In the cases in which there does not exist any systematic procedure, as well as in those cases in which it does exist, the person who is actually occupying a given job position plays a very important role at the moment of defining the value of a job position, and concurrently the wage and fringe benefits. With this, we get to something that is quite frequent and which is that the value of a job position is practically in all cases stated in terms of the current holder of the position rather than the result of the analysis of the tasks, responsibilities and rights associated with a job position.

Wages, allowances and fringe benefits.

The setting of the remuneration for the work, expressed in wages, social security, bonuses and special allowances, is directly related to the evaluation of the job positions that is conducted by the organisation.

Most companies consider a complex payment system that includes a base salary and different allowances and bonuses. Seniority, productivity and market fluctuations are the most frequent criteria in order to grant bonuses and allowances.

The members of all organisations receive a set of social security benefits that include family, lunch and travel allowances that are prescribed under the operation of the law. In addition, some companies add other benefits such as schooling allowances for the children, vacation allowances, etc.

The amount of the wages, allowances and special bonuses in most cases follows an itinerary of historical readjustment and indexation, the origin of which nobody can remember. Only some companies resort to

market studies to set the amounts and adjust their wage and payment systems.

Evaluation of performance and the system of incentives.

The companies studied, as a rule, do not have any formal system to evaluate performance or that are known to the staff.

In some of the companies that implement an evaluation system, it is not linked to a system of incentives, and in most of them its use was suggested in relation to the promotions in the hierarchic scale of the organisation. Only some exceptional cases had bonus systems specifically related to the productivity of the personnel.

Participation. There are several ways and degrees by which people participate in the management of the organisation and share the benefits that accrue from its activities. In the organisations studied we were able to detect a number of situations that can be typified as follows:

- a. organisations where the members of a lower standing neither participate in the decision-making process nor share the benefits obtained, and merely follow instructions and orders issued by the Upper Management, receiving a wage and legal benefits as stipulated in their contracts.
- b. organisations where the upper level executives make the decisions and give the instructions and orders. In addition, they receive a proportional share of the profits generated deriving from their decision, in keeping with what their corresponding contracts prescribe, in addition to those written into the law. Subordinates do not share in the benefits, though they may eventually participate in programs aimed at both improving procedures and setting goals.

c. Organisations where the lower level employees are involved in improving procedures and defining goals, receiving bonuses in relation to the results obtained.

In relation to participation, it would seem fit to point out that 21 of the companies studied have collective bargaining processes every two years with their personnel. In 17 cases, no trade union at all exists.

b. Marketing Management

In the first place, we will show the general results obtained and through them we expect the general spirit we detected in the organisations in relation to this aspect of management. Next, we describe the results with respect to the specific actions and orientations that are carried out in the management of marketing resources. Finally, we aim to present what are, in our opinion, the business strategies followed by the organisations.

The general spirit of Commercial Management.

The management of the commercial area in the Chilean organisations studied is developed by resorting to what Ackoff (1970:24-29) designates as an adaptive strategy, in which there do not exist clear goals; executives have different visions as to the priorities and the actions of the company in the market are reactions to problems and failures rather than the pursuit of opportunities; decisions are taken in terms of the results obtained and without any adequate planning to coordinate the organisational efforts as a whole.

Specifically, we find this is the entrepreneurial environment that is predominant in the management of marketing resources:

- a relationship of the organisations with the environment without any prior definition of the market they wish to enter, without any prior

knowledge or definition of the type of consumer that they expect to serve with the products and services;

- the existence of a recording and control system of the commercial activities related to taxation and accounting activities;
- there are no methodical research activities of the market that enables them to have a systematic knowledge of the consumer;
- there does not exist a meaningful expansion of the commercial activities in terms of the markets or segments of the latter which they supply;
- the products or services are standard, without offering any alternative that recognises differences in the needs of the consumer;
- no actions leading to the creation of new products or services that are more adapted to the needs of the consumer are carried out; all changes introduced are administrative and/or technological innovations;
- there is no delegation of sales and distribution responsibilities and activities to others; and,
- the kind of advertising that is carried out is lacking in objectives and is not targeted to a definite audience; the reason why it is done is because all others do it, rather than for some specific reason or knowledge in relation to it.

In the second place, by using the matrix market/product stated by Asoff (1968: 99), we classified the organisations under study into the different categories according to the growth strategies pursued by them and that we have been able to identify.

Most of the organisations tend to be conservative and to either develop market penetration strategies or consolidate their participation in the market, which is characterised by their conducting their activities in a

market they have been familiar with for a long time and relying on the same services and/or products that they have carried from the time they started their operation, trying to expand their participation in the market by promoting their sales. Only a minority will take the risk of getting involved in the pursuit of strategies to develop their market, their products or to diversify themselves, that is, to expand their geographical area and the products they carry, or both simultaneously.

The activities carried out.

According to the literature on marketing, there exist several alternatives by means of which an organisation can attain the results it aims at in its connection with its market. To make an analysis of the different possible alternatives is not our concern in this study and hence we will only concentrate on the modes related to growth according to the criteria put forth in the matrix product/market. Over and above the fact that the organisation has a formal elaboration of its strategies or not, every organisation has its own specific way to approach its relationship with consumers, and this is what pertains to the organisation's strategy.

It is admitted that at least four factors have to be considered in analysing the commercial management of an organisation: product, market, price and promotion. The product is related to the set of activities that the organisation carries out in connection with the specific characteristics of the product and/or service that it provides. The market is related to the set of activities by which the organisation reaches the consumer with its products and/or services. The price is related to the criteria by which the organisation determines the value of its products and/or services to the consumer. The promotion relates to all the communicative efforts that the organisation carries out in order to exert influence on the decisions of the consumer to purchase.

Some of the activities related to these variables are considered in the analysis of the commercial management of the organisations. These

variables, in our opinion, define the style or manner in which the organisation approaches its presence in the market.

Market

A rational management of the marketing resources of the organisation indicates that the most basic aspect that an organisation has to clearly define is the set of consumers it expects to satisfy with its products and/or services. In the second place, in order to initiate, maintain and develop a link with the consumers, the organisation has to have a system of information enabling it to know the characteristics of the behaviour of its consumers across time.

Consequently, in order to be able to grow and to improve its positioning, the organisation has to know the degree of satisfaction that the customer derives from the products and/or services, while, at the same time, it has to investigate the needs of the consumer that are not satisfied at the level that the consumer expects and which are the objections that the consumers have in relation to the existing products and/or services in the market. Finally, if the management of the marketing resources has been adequate, this will be reflected on the growth the organisation attains.

These aspects -- target, system of information on the market, market research, new markets -- are described below:

Target market.

If we read the results carefully, without taking into account those companies which owing to the nature of their activities and the conditions of the market have no need to operate in terms of the short term perspective, as is the case, for instance, of mining companies, it is still quite meaningful that at least 25 organisations, that due to the nature of the market they participate in, do actually need information on the market and yet they do not take any action whatsoever in this

regard. The results indicate that most of the cases analysed make their decisions regarding their consumers in an intuitive manner.

Most of the organisations studied lacked a specific way to approach consumers and to obtain information on the consumers' specific characteristics, and hence assumed, on the basis of their own experience and intuition, which of their products and/or services had a demand.

The commercial efforts are aimed at specific groups of consumers, differentiated according to different particular criteria. This distinction in the market enables them to recognise specific needs that have to be satisfied in association with clearly defined satisfiers. This distinction concerning the needs of the general population facilitates the identification of specific aspects that can be improved in the products and/or services furnished, thus enhancing the possibilities of increasing the loyalty of the consumers with respect to the products and/or services furnished by the organisation. Only a few organisations had defined two or more groups of consumers they expected to reach with their products and/or services. On the one hand, this enables them to increase their demand, and on the other, it forces them to divide their internal resources.

System of Information on the Market

On the one hand, the organisation needs to know who its current customers are, who its potential customers are, why they are not customers at present, and who and on what basis the decisions are made, etc., in order to be able to develop its strategies to gain access to the consumer; and, additionally, to have information about the behaviour of its products in the market. In the organisations studied, there was no system to obtain information on the market: customers, consumers, behaviour of sales, etc.. In the last five years, two of them created a system to obtain information on the market, 21 introduced

new technologies to manage the information system (basically, the use of computer facilities and specific software in order to analyse the information) and, in 6 cases they implemented a redesigned system.

Market Research.

Unquestionably, any company, intending to have some success in a market, needs some systematic information about its target market. However, it is always possible that intuition or chance should play an important role in favour of some companies, even though they will never be able to control or at least to reduce the uncertainty with respect to their future if they do not become familiar with those factors which warrant their success in the market. In the organisations studied, we find that only two cases conducted some kind of investigation of the market in a systematic way, as a part of their approach to the market, whereas, in 9 cases there had been only sporadic attempts to obtain information on the market. However, in 35 cases, no action at all had been taken in that direction.

New markets.

Over the last five years the efforts of most of the organisations had not enabled them to gain access to new markets. In 12 cases the organisations had expanded their activities to new areas within the country or in the international market. Of them, only in 8 cases they had gained access with their products to other countries, and in only one case there had been an expansion in both the domestic and international market.

Kind of products and/or services.

The organisations studied, over and above their differences in terms of their specific products, carry out their activities paying more or less attention to their demand. Without any doubt, customised production comes closer to the needs of the consumer, insofar as it is the customer

who defines the specifications of the product and/or service which is required in order to satisfy specific needs, whereas standardised production assumes that all consumers are homogeneous in terms of the specifications of their satisfiers. Semi-standardised production is half-way between both extremes and on the basis of a set of standardised traits it is then possible to adjust some of the characteristics to the specific needs of consumers.

In the organisations studied we find that 25 cases focused their production in terms of standardised products and/or services. We can assume then that the orientation and influence of the area of operations (production) is significant in this case. We could well say that they are product-oriented.

In the other 21 cases, a greater attention was paid to the needs of the consumers. We can thus infer that these companies are more consumer-oriented. Obviously, there are variations in the degree to which they orient their production to meet the needs of consumers. Undoubtedly, the productive situation involving a greater degree of complexity is that of the organisation that makes an effort to satisfy all needs by means of standardised product. In the case of the organisations studied there are 10 cases which have this orientation, which involves the use of a great diversity of resources within the frame of the company in order to satisfy a diversified demand.

Research and Development of Products. If the aim is to compete successfully in an open market with many entrants that offer the same, similar or substitutes to a firm's products, then there should exist a concern about the characteristics of the product and/or service that are supplied to the consumers.

It is surprising that 40 organisations have not taken any systematic action designed either to control the quality, to conduct technical research or to seek to improve their products and/or services, over the

last five years. Nevertheless, it was established that some had conducted some Research and Development activities in relation to new products over the last five years. Only 6 of the companies studied had conducted activities aimed at controlling the quality of their products along with experimental work that would enable them to improve the quality of the products and/or services provided to the consumers. Only 1 case carried out systematic activities which included quality control actions, experimental research work in relation to the products that they carry and efforts to develop new products.

New Products and/or Services over the Last Five Years.

Over the last five years, most of the organisations studied had not added any new products and/or services to their portfolio. In 16 cases, products and/or services which already existed in the market had been added. Products that were new in the market had been added only in one case. This situation is consistent with the point described previously. It is difficult to develop new products and/or services without any previous systematic research and in the best of cases it is only possible to imitate or copy what others are already doing, As a rule, new products or models are introduced by resorting to those that already exist in the European and North American markets.

Productive Innovations Over the Last Five Years.

Twenty organisations have introduced new technology in their productive processes so as to attain a greater efficiency and effectiveness in the production of the same products and/or services that they are already offering. Obviously, they are manifesting a concern for their product. Changes in the organisational structure were introduced only in 9 cases so as to facilitate the administrative processes supporting the productive and marketing activity of the organisations and oriented to the organisation itself. Only in one case

productive innovations have been attended by structural adjustment processes.

Distribution Channels.

It was established that in 18 cases of the organisations studied, no use at all had been made of the possibilities offered by distributors in terms of facilitating the access to a wider market for their products. In 13 cases, distributors were resorted to, but maintaining direct sales in their own outlets for products. In 15 organisations, the distribution of their products to the market were delegated to middlemen.

As a part of the mechanisms to reach consumers, and in addition to the channels through which their products are distributed to the market, there is also the direct efforts made by the organisations to ensure that their products reach the consumers through their own sales force. In 14 organisations, there is no formal definition of the sales activity assigned to a specific position; this function is carried out directly by the owners, general management or the area manager. In seven cases, the sellers were restricted to the activities behind the counter at the sales outlets. In most cases, 24 organisations, there exists a group of people who perform the specific sales function, inside and outside of the physical limits of the company, ensuring that products and/or services are located in points of contact with the direct consumers.

Price.

In relation to the criteria that the organisation resorts to in order to determine the market price of its products, in 15 organisations costs were computed and the expected profit margin was set for each product, with hardly any systematic information on the behaviour of the market. In 16 cases the prices were set in terms of the observed prices in the market, in most of the cases in a more intuitive rather than systematic manner. In 3 cases, the market value is defined by the law.

Only in 12 organisations, a cost analysis was carried out in order to set prices for the products.

Promotion/Advertising.

Most of the companies have some kind of advertising activity to make either the products or the company itself known. It is significant that in 29 of the cases there is corporate advertising, which tends, as a rule, to reinforce a brand in the market more than a kind of product in particular. On the other hand, only 12 organisations conduct more aggressive systematic activities to promote their products -- price campaigns, demonstrations, end of season sales, etc. -- and that ensure a greater market penetration by changing the image of the products or brands.

c. Financial Management

Of the set of possible factors and processes involved in the analysis as to how each organisation manages the financial and economic resources available to it, we have focused our attention on the management of investments. At the end of each period, or of several periods, the efficiency of the management of an organisation is evaluated on the basis of the returns generated by investments and sales.

We think that this is a central aspect in relation to the presence and possibilities for the development of a company in the market and that they have to be in harmony with the marketing strategy that the firm attempts to implement, if it is expected to be successful on the assumption of a favourable environment.

The possibilities and particular variations as well as the situations that affect an organisation can be manifold. However, if a sufficient period of time is granted so as to identify the effect of the decisions on each of them, it is possible to classify the organisations into categories ranging from those firms that are risk averse on one end of the continuum to those that have a propensity to risk, passing through different degrees

between both ends of the continuum. Empirically, no organisation corresponds in all parameters to a specific category in an exact manner. All organisations feature a combination of traits that come close to one type or another of management.

The investment efforts in organisations.

We propose a classification of the organisations' investment efforts into five categories that range from risk aversion to a very high level of risk. We use the following parameters: leverage, percentage of profits that is reinvested, type of investment, the financing of new investments and the time in which it is expected that the investment will be recovered and begin to generate benefits.

The general environment.

A synoptic vision of the general environment that is to be found in the management of this aspect within the organisations analysed can be described as follows:

- the majority of firms orient themselves to take up a normal risk (which varies in volumes depending on the type of business) or otherwise abides by a management approach that is risk averse. Only a limited number of companies have an economic and financial management that can be classified as of a high or very high level of risk.
- organisations tend to make their investments primarily in facilities (land, machinery, etc.,) and, in the second place, in operational capital, as a function of changes in the demand;
- organisations have an aversion to indebtedness. If a company, in order to be able to carry out its activities, has to become indebted, this is done in a manner such that there exist control mechanisms that

enable the company, if there is a failure, to re-initiate the business from a position that is not that unfavourable;

- within this spirit of risk aversion, the investment is effected in the company itself and within the same industrial sector, where the dynamics and characteristics of the business are known;
- the tendency is to resort to the firm's own financing and to a lesser extent, when it should not be sufficient, to obtain a complementary debt;
- over the last five years, the companies have maintained a high level of reinvestment of profits, which has been facilitated by the tax exemptions that are applied to them;
- despite the high observed reinvestment level, the organisations establish the requirement that the investments that are made should be recovered in the short term (one to three years) or the mid-term (from three to five years).
- they do not have investment plans developed with a long-term perspective, and in most of cases they are short- and mid-term investments; most of them are defined intuitively and on a yearly basis, as a reaction to the specific circumstances that affect the market and/or the organisation. A management with a long-term perspective can be found in those organisations which by the nature of their business or the volume of their required investments are compelled to plan for periods that are longer than five or ten years;
- the management of the financial and economic resources is an aspect of the organisational effort that is not delegated and the decisions in this area rest substantially with the owners of the organisation.

The indicators for the investment effort.

Below we describe the cumulative results that we obtained for each indicator considered in the analysis, and which correspond to what actually happened to the organisations over the last five years, that is to say, the period from 1987 to 1992:

Actual Investment.

Every company that wishes to be relatively updated in the market, all the more so if the latter is dynamic, has to make new investments, either in infrastructure or in operational capital. These investments, in infrastructure for example, enable the company to make a periodic trade-off of the devaluation and obsolescence of the assets of the organisation. A reasonable expectation is that at least this updating action should be accomplished once every five years. In the organisations studied we find that:

Investments (over the last five years)	cases
New investments made in fixed assets (infrastructure, lands, machinery, etc.)	26
New investments made in operational capital (inputs and raw materials.)	18
No new investments made	2

Leverage.

A way of taking advantage of the opportunities offered by the market in terms of the activities of an organisation is to expand activities so as to increase its participation in the market. To achieve this not only requires optimising the management of its current resources but also, quite frequently, to increase the operational resources and the necessary infrastructure to attain the growth objectives.

If the organisation does not have the necessary resources for this purpose, it could well have to decide to lose the opportunity that the market offers or otherwise to obtain resources by means of indebtedness. Within the sample studied we find that over the last five years:

Leverage (over last five years)	Case
not desirable (less than 10% of capital) (risk aversion)	16
between 10% and 40% of the capital (normal risk)	4
between 40% and 75% of the capital (normal risk)	5
between 75% and 100% of the capital (normal risk)	5
more than 100% of the capital (high risk)	3
regulated by law.	3
without information (classified information)	11

Destination of the investment.

The organisations can seek to optimise the use of their economic resources, by applying them to those activities that are more profitable. However, in general the greater profitability is associated with greater risk and, in this sense, to invest in the company itself almost always involves less risk than to do it in an enterprise of a sector or in activities having characteristics that are not known or are known only by means of secondary information.

Sectors in which investment has been made	Cases
only in the company itself	19
in the company and in the same sector	18
in the company and in related sectors	4
in the company and other unrelated sectors	3
no investment, only the initial investment required by the business and to maintain the levels of operation.	2

Financing New Investments.

With respect to financing new investments, the companies can use their own surpluses, saving on the cost of the money obtained by acquiring a debt with the financial system, which involves a lower risk, to the extent that the operation of the current business is not committed. To obtain resources through indebtedness commits the assets of the organisation, which involves additional risk to that already existing in

terms of the funds allotted to the new investment. The organisations studied show the following:

Financing New Investments	Cases
with own resources	17
with own resources and debt	19
only with debt	9
no information available	1

Reinvestment of Profits.

The proportion of the profits that is reinvested yearly (at least over the last years), which in addition to indicating the level of confidence in the company itself and its future development, also shows us, in part, the attempts to develop protection mechanisms which the management wishes to have to face future contingencies. In the organisations studied we find that:

Profits Reinvested Yearly	Cases
less than 10%	5
from 10% to less than 20%	9
from 20% to less than 30%	6
from 30% to less than 50%	3
more than 50%	18

Policies, plans and decision-makers in relation to investment.

In order to be able to face the dynamics of their specific markets the organisations generate strategies that require financing plans; the programs and policies that are supposed to lead to a desired position in the market derive from the financing plans; these programs and policies enable the organisations to anticipate or project the future, anticipating the changes that could have a bearing on their results. In relation to the definition of a general policy for the management of the economic and financial resources, we found that:

Investment Policy (how much, where, how)	Cases
they do not have a definite policy	10
the investments that are to be made in the period are formulated yearly.	17
a defined policy for the long run (three or more years), that is adapted to conditions	19

The definition and duration of the investment plans show, to some extent, the perspective within which the organisation perceives itself and how it is projecting itself in the future. In the organisations under analysis we can see:

Investment plans (in what	Cases
no known plans	3
defined circumstantially	5
defined annually	17
mid- and-long term plans (three years and more), according to the circumstances.	19
no information available	1

The analysis, evaluation and decisions concerning the investments in an increasingly complex world of relationships and changes calls for something more than common sense; the technical refinements involved in the evaluation, analysis and decision-making on economic and financial matters at the level of a company require an expertise that a self-made man will hardly ever or never have. Among the organisations we find that the processes of analysis, evaluation and decision-making in economic and financial matters are the responsibility of:

Approves and decides on investments cases	Cases
Owner/General Manager	10
Board of Directors	32
others (Investments Committee, Finance Manager)	3
no information available	1

Returns on Investment.

The organisations expect to recover the amount of their investments in periods that go from a year to not more than 10 years. The companies studied are distributed as follows:

Returns on Investment	Cases
yearly	7
from 2 to less than 5 years	13
from 5 to less than 10 years	11
more than 10 years	10
no information available	6

Classification of the organisations according to the orientation of investment efforts.

As regards the type of investment management that can be found in the organisations under study, the cases are so distributed, that for each parameter considered, it is difficult to classify them, save for some exceptions. However, if the type of analysis scheme proposed by Deal and Kennedy (1982) to classify the organisations in terms of the risk that they take up and the speed of the feedback that they receive, it is possible to find some tendencies.

Type of Management	Debt	% of profits reinvested	Destination of Investment	Financing New Investment	Expected Return on Investment
Risk averse	less than 10 % of capital.	less than 10%	in the company itself	own resources.	yearly.
Low risk	between 10 and 40 % of capital	between 10 y 20%	in the same sector	own resources	from 2 and less than 5 years
Normal risk	between 40 and 75 % of capital	between 20 and 30%	in related sectors	Own resources and debt	from 5 to 7 years
High risk	between 75 and 100 % of capital	between 30 and 50%	in unrelated sectors	Own resources and debt	from 8 to 10 years
Very high risk	more than 100 % of capital	more than 50%	in unrelated sectors	only with debt	more than 10 years.

Classification of the organisations according to risk/feedback.

	High risk	Low risk
Fast feedback	Tough Guy / Macho Culture. 8 Cases	Work hard / play hard culture. 9 Cases
Slow Feedback	Bet Your Company Culture 6 Cases	Process Culture. 15 Cases

From the preceding table, we have that most of the organisations are quite conservative in what respects their investments. It is worth pointing out that a significant proportion makes low risk investments with the return expected in the long term. In the case of the companies that take up high risks in their investments and have a slow feedback it is because they are forced to decide on this option due to the nature of the business, the technologies used and other characteristics. For instance, in the case of a forestry plant, if it invests in lands and plants trees, it will have to wait at least from 12 to 14 years to fell them, despite the fact that it will be able to use this capital in the financial system as a security for loans enabling it to carry out other short term transactions.

Growth, Productivity and Profitability.

The organisations exist and are justified over time because they produce certain expected results that satisfy the expectations of both the owners and the people that work for them, as well as the consumers of the goods and/or services that they provide. It is obvious that to maintain an internally efficient organisation is something desirable and that it establishes a good foundation for attaining results. But if the organisation does not develop suitable forms of relationship - marketing strategies - with its market, then its internal effort will be useless, the consumers will not purchase, use or consume the goods and/or services that the organisation supplies. If the organisation has an adequate marketing strategy and its administrative management is efficient, then

their management of economic and financial resources becomes the critical point.

An adequate marketing strategy can fail, if appropriate investment decisions have not been made; for instance, if a substantial increase in the demand, exceeding the productive capacity that the organisation has, is not foreseen, it could bring about a frustration in the consumer which induces him to change his supplier³⁹. In this sense, the suitability of the investment decisions are expressed, at least in part, in the profitability, productivity and organisational growth.

At the end of any analysis of the behaviour of organisations, and even to a greater extent within the context of a market economy like the Chilean one, what will be determinant of the value of what is explained, described or supported is how this is reflected in the economic results, in their relationship with the attainment of the economic objectives and goals of the organisations or how it can be controlled to improve the economic results of the organisations themselves.

Now we will describe some of the economic and financial results that the organisations (those for which it was possible to obtain the minimal necessary information for the analysis) obtained in the period between 1988 and 1992.

The financial statements contain historical information about the financial conditions, the operations or of financing and investment activities of the companies. The analysis of the financial statements enables us to know: the profitability of the company, the solvency of the company, its growth, etc.

³⁹ An interesting example of this occurred in Chile in the footwear industry. A well-known national company exported a certain amount of its production to Italy with such a great success that the international distributor asked for amounts that could not be possibly met and in the face of which the contract was terminated.

There are different types of possible financial analyses that can be carried out with specific purposes: horizontal, vertical and ratio analyses. The horizontal analysis involves the comparison of two or more consecutive periods, by computing the differences in values from one year to another and identifying the percentages of changes, using the most distant year as the base. This kind of analysis provides information on the trends over time of the items recorded in the financial statements and when the comparisons involve the long term it is possible to clearly analyse the effects of the changes on the results or on other items which were brought about due to extraordinary situations or situations that were a part of the normal operation of the company. The vertical analysis compares items for one single period in the financial statements, by converting them to a common value which allows for more significant comparisons. It is used within the company for the analysis of results and of internal efficiency indicators.

The analysis of ratios consists in comparing data from the financial statements, which are related to each other. The advantage is that it summarises the data in a form that it is easier to understand, analyse and compare them. Once the ratio is estimated, it can be compared with: a standard ratio expected for that period, the ratio obtained by the company in the previous period, the ratio obtained by one or several similar companies in the same industrial sector, and the average of the ratios of other firms in the industrial sector. The ratios can be usually classified into four categories: liquidity test, market test, solvency tests and profitability test.

Due to restrictions in obtaining the information, it was only possible to secure some profitability tests, tests to measure growth and variations in productivity.

The information limitations with respect to the behaviour of the market during the period of analysis, for each group of activity, do not allow

us to make any firm statement as regards the specific performance of any of the organisations studied, but it permits us to ascertain which are the comparative and historical trends on the basis of the assumption that the distortions and limitations are homogeneous. profitability

The profitability of an organisation is the net result of a great number of policies and decisions that have been taken over time within the organisation. The profitability indices measure the general efficiency of the management according to the returns obtained on sales and investment. Due to the limitation in securing the information, we were only able to perform an analysis of the following ratios, all of them related to profitability:

Ability to Generate Profits.

The ability to generate earnings of the organisations under study varies across them due to the diversity of activities and types of business they are engaged in, which makes the factors that have to be determined different in each case. However, what is interesting to observe in the information is the trend displayed by the companies over the years to either increase, maintain or lose their ability to generate earnings. From this point of view, all other factors, that specifically could affect the behaviour of each organisation in particular, being equal, it can be observed that:

Capacity to generate profits	Increased systematically	Trend to improve, unstable	stable	erratic, no observable trend	Unstable, tendency to lose capacity	loss of capacity, generates losses
Manufacturing	2	2	1	3	2	1
Services Commerce	2					1
Mining	2				1	3
Telecommunication Services					2	
Health Services	2					1
Financial Services	1				1	1
Other services	2					
Total	9	2	1	3	6	7

Competitiveness of the organisations: profit margin or return on revenues from sales.

As we do not have any sectoral information available enabling us to make more specific comparisons, the possibilities of interpreting the results in terms of market behaviour are of a somewhat speculative order. The only thing that concerns and interests us in this analysis is the variation that the organisation has undergone over time. The results show the following:

Profit Margin	Increase, growth of profit margin	stable, trend to improve the profit margin	unstable with a trend to improve competitiveness	Decrease the margin
Manufacturing	2	5	1	3
Services Commerce	1	2		
Mining	2			3
Telecommunications Services				2
Health services			2	3
Financial Services				2
Other services		1		1
Total	5	8	3	14

Relative Efficiency.

It enables the decision-makers within the organisation to detect areas of inefficiency where they will be able to conduct a more detailed subsequent investigation. When it is higher than the average of the market or of the industry it could indicate that the costs are higher and/or the prices are lower than those of the market and/or industry. The horizontal estimation of the profit ratio to the sales gives us a relative perception of the company's efficiency in the management of its resources. From the results we have that: :

relative efficiency	Improve	Unstable, trend to improve	etable	unstable, trend to deteriorate	deterioration
Manufacturing	4	1		5	1
Services Commerce			2		1
Mining		2			3
Telecommunication services				2	
Health Services	1	1	1		
Financial Services	2	1			
Other services		2			
Total	7	7	3	7	5

Growth of the organisations.

The criterion of growth is a relative element for diagnostic purposes and in its broader sense it stems from, on the one hand, comparing the individual results across time and, on the other hand, in relation to the general behaviour of the economy or, even better still, with respect to the sector of economic or industrial activity which the organisation in particular belongs to. The more specific the comparison, the lesser the different exogenous variables that affect the behaviour of the organisation under analysis are. The growth of the organisation, measured by computing the rate of growth of sales and profits, is a good indicator of the firm's ability to maintain itself in a good position within the frame of the country's general economy and within the industrial sector it belongs to.

Growth	Increase	Stable	Deterioration
Sales	14	5	12
Profits	16	1	16

From the point of view of the growth of sales, we have that 14 cases experienced an annual relative growth higher than that recorded by the economy or the industrial sector, and that only 2 cases experienced a slight fall by comparison to the sector of the economy it is in. This could be pointing to an improvement in the participation in the market. It is borne in mind that the market on an overall basis grew at a given rate and that the organisation grows at a higher rate, then if the company is

still operating in the same market, it means that it has managed to attract a greater number of consumers. In any event, comparatively these organisations have been more efficient to face the dynamism of their environment than others, as reflected by the results that they have attained in developing strategies that have enabled them to grow in the market.

Five cases , in relative terms, have maintained their sales volumes stable, as they have experienced the annual variations at the same rate as the changes taking place in the economy or in the industrial sector. This would indicate that they have maintained their relative market participation and that their strategies to relate themselves with the market have allowed them to maintain themselves in the market at the level of activity which they have.

Twelve cases have displayed a behaviour of deterioration in their sales, higher than the annual variations that have affected the sector and/or the gross national product of the country. This would imply that they have lost their market participation and that their strategies have been inefficient in reaching the consumers with the products and/or services of the organisation, which endangers their position in the market.

In terms of the profits, ten cases have either increased their earnings or reduced their losses, in figures higher than the variation recorded in the activity of the sector which they belong to. Six cases have had varying behaviours, though for the period considered they have increased their profits. Only one case had variations equivalent to those of its sector of economic activity. Finally, thirteen cases have experienced a decrease in their earnings higher than the percentage of variation for their sector or for the economy as a whole. However, three cases show a strong increase in their profits over the last year considered in the study, and which could indicate that they have had to absorb high liabilities

corresponding to the preceding years, due to their indebtedness for investments made.

If both criteria are considered, we have that the organisations can be ranked from larger to smaller, depending on their greater ability to maintain themselves and develop in the market which they belong to according to the results obtained in the period under analysis:

Competitiveness	Improve participation and profits	increase participation profits stable	participation stable, increase profits	lose participation increase profits	increase participation decrease profits	maintain participation and decrease profits	decrease participation and profits
Cases	9	1	2	5	4	3	6

Productivity of Human Resources

The productivity of human resources is an indicator that enables us to see if the resources of the organisation are being used in a more efficient way than in other organisations and if there is a negative or positive change in the same organisation over time.

Clay and Wally hold that all the productivity indicators offer advantages and disadvantages. Due to the limitations of the different ratios used normally to evaluate productivity, they must be used only as criteria to compare performance across several periods or across several organisations. Nonetheless, it must be borne in mind, when interpreting results, that exist other factors affecting the performance of each organisation, that are assumed *ceteris paribus*: "productivity is not an absolute measure" (Clay and Wally, 1965).

In our computations we have assumed that prices have undergone homogeneous variations equivalent to the general correction factor applied to the balance sheets of the firm for each period considered. This obviously introduces some distortion, since, in fact, it did not actually happen like that. The offer and/or demand for the goods and/or services that each industrial and/or productive sector in particular offers, as well as for the inputs required by each one, have experienced

variations over or below the average value of the adjustment. Despite this, we think that in any event the index is useful if it is considered that this distortion is homogeneous and that, in addition, what is compared is the variation that is observed for several periods in each organisation and not the absolute value of the variation. And the comparison with respect to the other organisations and to the average of a sector is only illustrative of a better analysis if the statistics are available to make the comparison.

In terms of their behaviour, during the period considered for the analysis, then the productivity of the organisations was as follows:

Productivity	Cases
increasing	13
stable	1
unstable	4
decreasing	12 cases

If the productivity of the industries studied is compared to the data furnished by Ahumada (1993) for each sector of industry we have that, for the years considered, two cases were over the average of the industry and with a higher rate of growth; one case had a higher productivity, though it is deteriorating as the productivity of the sector increases; another case had a productivity below the average of the industry but improves at a similar rhythm; while still another has a lower productivity and an unstable growth lower than the industry; and finally four cases are below the average of the industry and show a tendency to improve, though in an unstable manner.

4. Cultural paradigms versus organisational characteristics and practices.

Though the sample of organisations studied may no be considered as representative of the Chilean organisational universe, due to the doubtful randomness of the way in which they were obtained, it is interesting to observe the relationships between some variables and

their distribution within each cultural category. From the analysis, it is possible to infer some plausible hypotheses that may serve as a guide to explain the behaviour of Chilean organisations

With respect to the relationship between ownership and organisational culture it may be observed that the presence of the State intake ownership of organisation would tend to generate a greater likelihood of an emergency in a pragmatic culture than among private firms.

Organisational Ownership	Private	Privatised	Intervened	State-owned	Mixed	Non-profit	Total
Pessimistic	22 73 %	2 6,8 %	3 10 %	0	2 6,8 %	1 3,4 %	30 100 %
Optimistic	6 85,7%	0	1 14,3 %	0	0	0	7 100 %
Pragmatic	4 44,4 %	1 11,1 %	2 22,2%	1 11,1 %	1 11,1 %	0	9 100 %
Total	32 69,6 %	3 6,5 %	6 13 %	1 2,2 %	3 6,5 %	1 2,2 %	46 100 %

As regards the legal ownership structure of the organisation, it is interesting to note that the greater presence in the pessimistic culture is for unlisted joint stock companies, in the optimistic culture for limited liability companies and in the pragmatic culture for listed joint stock companies.

Organisational culture and ownership structure	Listed joint stock company	Unlisted joint stock company	Limited liability company	Professional partnership	Professional association	Total
Pessimist	7 30 %	13 43,3	9 23,3 %	0	1 3,3 %	30 100 %
Optimist	1 14,3 %	2 28,6 %	3 42,9 %	1 14,3 %	0	7 100 %
Pragmatic	4 44,4 %	3 33,3 %	2 22,2 %	0	0	9 100 %
Total	12 26.1 %	18 39.1 %	14 30,4 %	1 2,2 %	1 2,2 %	46 100 %

With respect to the origin of the capital the results suggest that the presence of external capitals in the organisation stimulates the

emergence of optimist or pragmatic cultures, whereas domestic capital would tend to the pessimistic or pragmatic.

Organisational culture and ownership	Domestic capital	International capital	Mixed capital	total
Pessimist	28 93,3 %	1 3,8 %	1 3,8	30 100%
Optimist	2 28,6 %	4 57,1 %	1 14,3 %	7 100 %
Pragmatic	6 66,7 %	3 33,3 %	0	9 100 %
Total	37 80,4 %	7 15,2 %	2 4,4 %	46 100 %

With respect to the sector of the economy which the organisation belongs to, the results show that an optimistic cultures more favoured in the secondary sector, whereas the tertiary sector is more favourable for pessimistic and pragmatic cultures.

Organisational culture and economic sector	Primary	Secondary	Tertiary	Total
Pessimistic	5 16,6 %	6 20 %	19 63,3 %	30 100 %
Optimistic	1 14,3 %	5 71,4 %	1 14,3	7 100 %
Pragmatic	1 11,1 %	3 33,3 %	5 55,6 %	9 100 %
Total	7 15,2 %	14 30,4 %	25 54,4 %	46 100 %

If we observe the data with respect to the relationship between organisational culture and temporal presence of the organisation we can see that it seems that seniority -the moment at which the firm was created- favoured the appearance of a pessimistic culture, while the newer organisations - or created in the more recent historical context - have created optimistic cultures.

Organisational culture and Temporal presence of the firm	less than 5 years	from 5 to less than 10 years	from 10 to less than 20 years	from 20 years to less than 30 years	more than 30 years	Total
Pessimistic	0 42,9 %	3 10 %	4 13,3 %	7 23,3 %	16 53,3 %	30 100 %
Optimistic	3 42,9 %	3 42,9 %	1 14,2 %	0	0	7 100 %
Pragmatic	1 11,1 %	4 44,4 %	3 3,3 %	0	1 33,3 %	9 100 %
Total	4 8,7 %	10 21,7 %	8 17,4 %	7 15,2 %	17 37 %	48 100 %

An examination of the distribution of the organisations in terms of their size in the cultural categories, we observe that there is a predilection for pessimistic cultures in the organisations which have fewer personnel, medium-sized and small organisations, whereas the pragmatic culture is associated with organisations having larger headcounters. Whilst in respect to the volume of the yearly sales it is possible to see that the pragmatic culture is associated more easily with greater volumes of business than the pessimistic culture.

Organisational culture and Size	more than 50 people	between 50 and 100 people	from 101 to 500 people	from 501 to 1000 people	more than 1000 people	total
Pessimistic	12 40 %	3 10 %	13 43,3 %	2 6,7 %	0	30 100 %
Optimistic	1 14,3 %	1 14,3 %	3 42,8 %	2 28,6 %	0	7 100 %
Pragmatic	0	1 11,1 %	2 22,2 %	3 33,3 %	3 33,3 %	9 100 %
Total	13 28,3	5 10,9 %	18 39,1 %	7 15,2 %	3 6,5 %	48 100 %

Organisational culture and Size	less than 100 MM	100 and 1.000 MM	1.000 and 10.000 MM	10.000 and 100.000 MM	more than de 100.000 MM	No nformation available	total
Pessimist	2 6,7 %	4 13,3 %	11 36,7 %	3 10 %	0	10 3,9 %	30 100 %
Optimistic	0	0	4 57,1 %	0	0	3 42,9 %	7 100 %
Pragmatic	0	0	1 11,1 %	2 22,2 %	4 44,4 %	2 22,2 %	9 100 %
Total	2 4,3 %	4 8,7 %	16 34,8 %	5 10,9 %	4 8,7 %	15 32,6 %	46 100 %

With respect to the practices in the area of marketing, both the optimistic organisations as well as those in which a pessimistic paradigm is predominant adopt commercial strategies which involve greater risk than the rest of the organisations where the pragmatic paradigm dominates.

The Market Penetration, Product Development and Diversification Strategies were favoured by optimists and pessimists, while Market Consolidation was observed in the pragmatic organisations. Of the total number of pessimistic organisations studied a 66,7 % and 85,6 % of the optimists were implementing strategies which involve greater risks, while in the case of the pragmatic organisations 77,8 % was involved in consolidation strategies of what they have already attained, which we suppose id less risky.

Organisational culture and Market strategy	Market penetration	Product development	Diversificatio n	Consolidatio n	Maintenance or withdrawal	Total
Pessimistic	10 33,3 %	5 16,7 %	5 16,7	8 26,7	2 6,7	30 100%
Optimistic	2 28,6 %	2 28,6 %	2 28,6	1 14,3	0	7 100%
Pragmatic	1 11,1 %	0	1 11,1	7 77,8	0	9 100 %
Total	13 28,3 %	7 15,2 %	8 17,4	16 34,8	2 4,3	46 100 %

the organisations with pessimistic and optimistic cultures acknowledge in a significant manner the existence of competitors, domestic and

external, and perceives themselves in open competitive markets, while pragmatic organisations only admit the presence of domestic competitors.

Organisational culture and perception of competition in the market	No competitors	Only domestic competitors	Domestic and international competitors	total
Pessimistic	1 3,3 %	9 30 %	20 66,7 %	30
Optimistic	0	3 42,9 %	4 57,1 %	7
Pragmatic	5 55,6 %	3 33,3 %	1 11,1 %	9
Total	6 13 %	15 32,6	25 54,4 %	46

The organisations studied as a rule do not have a Market Information System, but it the pessimistic and optimistic organisations have reacted more promptly to needs for information by introducing, to a greater extent, modernisations in their technology to process information.

Organisational culture and market information system	Creation of MIS	Introduction of technology to handle information	Redesign of information system	No market information system	total
Pessimistic	0	14 46,7 %	4 13,3 %	12 40 %	30
Optimistic	1 14,3 %	5 71,4 %	1 14,3 %	0	7
Pragmatic	1 11,1 %	2 22,2 %	1 11,1 %	5 55,6 %	9
Total	2 4,3 %	21 45,7 %	6 13 %	17 37 %	46

Market research regarding the behaviour of the consumer is an activity which seems to be relevant for optimistic organisations.

Organisational culture and market research	Never	Has been done sometimes	total
Pessimistic	26 86,7 %	4 13,3 %	30 100 %
Optimistic	2 28,6 %	5 71,4 %	7 100 %
Pragmatic	9 100 %	0	9 100 %
Total	35 76,1 %	9 23,9 %	46 100 %

The organisations which during the five years under study showed that the optimistic organisations had a relatively greater success in attempting to expand or gain access to new markets for the business activities, within a general context of maintaining the current markets which are served by the organisations analysed.

Organisational culture and new markets	Domestic	International	both	none	total
Pessimist	2 6,7 %	2 6,7 %	0	26 86,6 %	30 100 %
Optimistic	1 14,3 %	5 71,4 %	1 14,3 %	0	7 100 %
Pragmatic	1 11,1 %	0	0	8 88,9 %	9 100 %
Total	3 6,5 %	8 17,4 %	1 2,2 %	34 73,1 %	46

The information shows that the introduction of new products in their productive and commercial activities has only been relevant among optimistic organisations, and no differences have been observed between pessimistic and pragmatic organisations.

Organisational culture and new products and/or services	New products in the market	New products released by competition	No new products	total
Pessimistic	0 14,3 %	9 30 %	21 70 %	30
Optimistic	1 14,3 %	4 57,1 %	2 28,6 %	7
Pragmatic	0	3 33,3 %	6 66,6 %	9
Total	1 2,2 %	16 34,8 %	29 63 %	46

With respect to the introduction of innovations in productive processes, Optimistic organisations have given a great importance to changes in their productive and administrative processes with a view to improve their results. Pessimistic organisations, in turn, give greater relative weight to innovations in direct productive process and a lower one to administrative changes. Also, pragmatic organisations tend to attach more importance to administrative process rather than productive ones.

Organisational culture and productive innovations	Innovations in production	Innovations in management	both	no innovations	total
Pessimistic	14 46,7 %	4 13,3 %	0	9 30 %	30 100 %
Optimistic	4 57,1 %	2 28,6 %	1 14,4 %	0	7 100 %
Pragmatic	2 22,2 %	3 33,3 %	0	4 44,4 %	9 100 %
Total	20 43,5 %	9 19,5 %	1 2,2 %	16 34,8 %	46 100 %

The ways in which prices of products are set by the organisations is differentiated in its emphasis according to each cultural model, that is, the market analysis in the case of pessimistic organisations has greater importance, while in the case of the optimistic organisations to consider

costs and the market is relevant. , while mayor, but in the case of pragmatic organisations cost analysis has a greater bearing.

Organisational culture and prices	Market analysis and cost	Market analysis	Costs	Legal	total
Pessimistic	8 26,7 %	13 43,3 %	8 26,7 %	1 3,3 %	30 100 %
Optimistic	3 42,8 %	2 28,6 %	2 28,6 %	0	7 100 %
Pragmatic	1 11,1 %	1 11,1 %	5 55,6 %	2 22,2 %	9 100 %
Total	12 26,1 %	16 34,8 %	15 32,6 %	3 6,5 %	46 100 %

In relation to the financial and economic practices and results, the organisations whose practices and characteristics are based on an optimistic or pessimistic paradigm adopt financial strategies which involve greater risks than the other types of organisation. Pragmatic organisations are more conservative in their financial practices. The way in which the investment was used is proportional in each category, but it is interesting to note that pragmatic organisations should allot a significantly higher proportion to increase their fixed assets.

Organisational culture and investment	Fixed assets	Operating capital	None	total
Pessimistic	17 56,7 %	11 36,7 %	2 6,6 %	30 100 %
Optimistic	3 42,9 %	4 57,1 %	0	7 100 %
Pragmatic	6 66,7 %	3 3,3 %	0	9
Total	26	18	2	46

From the information obtained, it is possible to deduce that the pragmatic organisations tend to take on low levels of debt, whereas

optimistic organisations take on a higher level of debt than pragmatic and pessimistic ones.

Organisational culture and leverage	Less than 10% of capital	Between 10% and 100% of capital (normal depending on business activity)	More than 100% of capital	Legal	No information available	total
Pessimistic	9 30 %	7 23,3 %	2 6,7 %	0	11 36,7 %	30 100 %
Optimistic	1 14,3 %	5 71,4 %	1 14,3 %	0	0	7 100 %
Pragmatic	6 66,7 %	1 11,1 %	0	2 22,2 %	0	9 100 %
Total	16 34,8 %	13 28,3 %	3 6,5 %	3 6,5 %	11 23,9 %	46 100 %

Pragmatic organisations in order to finance investments resort to their own funds, while optimistic organisations seek funding from creditors in the financial system, and pessimistic organisations aim at an equilibrium between their own funds and indebtedness.

Organisational culture and financing of investment	Own resources	Own resources and debt	Debt	No information available	total
Pessimistic	9 30 %	16 53,3 %	5 16,7 %	0	30 100 %
Optimistic	1 14,3 %	2 28,6 %	4 57,1 %	0	7 100 %
Pragmatic	7 77,8 %	1 11,1 %	0	1 11,1 %	9 100 %
Total	17 37 %	19 41,3 %	9 19,6 %	1 2,1 %	46 100 %

Firms whose actions are based on a pessimistic vision show a greater tendency to improve their capacity to generate profits, and have slightly better results in terms of obtaining gains. Conversely, pragmatic

organisations showed a greater degree of deterioration in their capacity to generate profits.

Capacity to generate profits	Systematic Increase	Trend to improve, unstable	Stable	Erratic, no trend observable	Unstable, trend to lose capacity	Loss of capacity, generates losses	Information available insufficient	total
Pessimistic	9 30 %	0	0	0	4 13,3 %	2 6,7 %	15 50 %	30
Optimists	0	2 28,6 %	1 14,3 %	1 14,3 %	1 14,3 %	0	2 28,6 %	7 100 %
Pragmatics	0	0	0	2 22,2 %	1 11,1 %	4 44,4 %	1 11,1 %	9 100 %
Total	9 19,7 %	2 4,3 %	1 2,2 %	3 6,5 %	6 13 %	7 15,2 %	18 39,1 %	46

The pessimistic organisations showed greater relative improvements in their efficiency, and relatively higher increases in their profits than the other organisations. Though pragmatic organisations had more stability, they lowered their relative efficiency on an overall basis.

The organisations with pessimistic paradigms had higher relative improvements in competitiveness than the other cases studied, with a higher relative improvement in competitiveness: their relative costs of the products and processes for production and sales went down. Pragmatic organisations recorded a decrease in their competitiveness during the period studied.

The productivity of human resources showed higher relative increases in pessimistic organisations than in those cases where there existed a shared optimistic and pragmatic view.

As it happens in other similar studies, the results suggest relationships, but they are insufficient to establish in a categorical manner a connection between organisational results and organisational culture.⁴⁰

The productivity and success of an organisation is related to the organisational culture, but it is sufficiently clear how this relationship operates in the Chilean case, nor which are the specific characteristics of the case.

Furthermore, the results obtained, though they are not conclusive, contribute new evidence to what an increasing number of researchers have been pointing out, in the sense that the link between the perception of the environment and the decisions is a function of the organisational ideology and the organisational structure rather being centred on the individual cognitive process.⁴¹

Finally, it would seem that the general conditions under which organisations operated in Chile during the period 1988-1994 were favourable to those organisations which we have classified as pessimistic or fatalistic.

⁴⁰Reynolds, P. : 1992:343

⁴¹ Sims, H. P. et al: 1986 quoted in Sullivan, J. and Nonaka, I. :1986. Meyer, A. 1982.

CONCLUSIONS

By way of a general conclusion we can state that the phenomenon of organisational culture is manifold. Given its complexity, it is possible to grasp it at different levels of analysis which has led to a multiplicity of approaches, rendering it impossible to make the results obtained by researchers comparable. Nevertheless, whichever the approach may be to the description and analysis of organisational culture, the researcher must base his explanations on the material and symbolic elements and patterns of social interaction which are empirically observable in the organisations though clearly discerning he says about culture, as an observer of it, from what the bearers of the culture say about it.

Chilean national character models organisational culture.

Comparative readings on the characteristics of Chilean culture, as pointed out by those who study the topic, described in chapter one, and the results obtained from the study of organisational culture in Chilean firms contributes clear indications that the dominant ideas and administrative practices, observed in the members the firms, are connected to the characteristics which have been pointed out as specific to the Chilean character rather than with the administrative techniques which seem to be applied in them.

This would confirm what other investigations have shown: that the national culture and the difference between cultures is of greater importance than the "management philosophy" on organisational modelling and results. National culture would be a modeller of organisational and administrative effectiveness and it would be correct

to hold that models, techniques and administrative practices model organisational culture.⁴²

The models and administrative techniques used in Chilean organisations have been created and developed mostly in the U:S., but the culture is local, and though the Chilean case shares many elements that are specific to European Jewish/Christian tradition, the differences between the motivational orientations of the ways of doing of the puritan Anglo-Saxon tradition and the Hispanic tradition⁴³, are sufficiently established so as to expect some degrees of inconsistency and, eventually, of contradiction between structures, systems, procedures and organisational culture.

Transcultural studies reasonably allow to hold that - as a result of processes of transculturation, imperialism, transnationalisation of the economies, globalisation of the markets, cultural contacts, etc. - it is possible to observe similar administrative behaviours in different social and cultural contexts. Despite the latter, the interpretation and meaning underlying them are different and specific to each culture.⁴⁴

A good example of this may be found in the ways in which decisions are made in some Japanese and American companies, using similar participant techniques. While the average American orients his decisional process to find a more efficient and effective solution from the standpoint of the use of the resources, the Japanese in the case of the same process will emphasise the social characteristics of the process to a greater extent (seeking for consensus, harmonious social relationships, honesty and straightforward contacts, etc.).⁴⁵ In

⁴²Kelley and Worthley:1983: 164-173. England, G. W. (1975).; Hofstede: (1985); Triandis, Harry (1980)

⁴³McClelland:1961

⁴⁴ An interesting, and definitely more radical, is that carried out by Garg and Parikh:1990 on organisations in India.

⁴⁵Sullivan, J. et al. :1981, 803-815

the Chilean case, we would say that the process of present and future influences involved is emphasised all the more in the decision-making process.

The administrative practices observed have different degrees of similarity and difference with respect to the guidelines suggested or implemented in American firms which are, without any doubt the model of administration that Chilean firms choose mostly. The observed similarities are explained by the existence of transculturation and acculturation processes which have been taking as an outcome of American presence in Chile's political, economic and social life, through the mass media, education of leaders at American universities, the systematic presence of American experts as consultant to both firms and the State, etc.. The differences observed are seemingly due to the modelling and reinterpretation of the foreign elements in the light of national, and also to the processes of environmental adjustment which organisations have undergone: and finally, to the influence exerted by the power of owners and managers on the collective behaviour.

↳ **Organisational culture affects the results of the organisation.**

The organisations having organisational cultures which are more consistent with national culture yield better organisational results. This confirms what was stated by J. White (1984: MD, 22/4: 14 - 18) that the productivity and success of an organisation are related to the organisational culture. Organisational culture exerts an influence over organisational efficiency, decision-making (commercial and financial strategy), organisational productivity and the competitiveness of the organisation.

The traits attributed to the Chilean national character which are expressed at an organisational level bring about a greater efficiency in

Chilean organisations in the mid term. These organisations were able to lower the relative costs of their products, in particular of the administrative processes for their production and sales; they had relatively higher increases in efficiency and a higher relative growth of their market share, their profits and in the productivity of human resources.

The information obtained gives a basic common picture in the ways of organisational management of Chilean firms: leadership style, interpersonal relationships, organisational design and structure, decision-making systems.

With respect to the style of leadership, there is the presence of a style of direction and leadership which evidences a strong authoritarianism moderated by the paternalism, assistance to the employees and concern for the client.

In relation to the interpersonal relationships, there is a systematic concern for personal contacts and sociability, expressed with great frequency in complex networks of "compadrazgo" and reciprocity which are difficult to understand for whoever has not been initiated in these practices. These forms of relationship have a practical nature as they are established in order to move up in terms more of seniority and "compadrazgo" than in terms of merit and achievements, and this accompanied by the importance attached to belonging to groups of influence and the tendency to hide one's own merits and success.

Interpersonal relationships are functional and strongly marked by a sense of hierarchy, and the function is more important than the person. People seek to have some form of influence on the decisions rather than on improvements or the contents of the decisions in the organisation. The criteria whereby rewards are assigned, excluding the wage or

salary, are more related to the person reported to than to the work done.

There is a passive and conservative conceptualisation of human activity which defines human natures in negative terms and with hardly any possibilities to improve, in the face of which strong mechanisms of control over people and processes are generated and maintained, and very little action is taken to train and upgrade personnel and to develop human resources. The tendency is to have a staff that is relatively homogeneous in many aspects, and there exist only differences between each hierarchic level. Conformity and resignation are the expected attitudes. People are to obey the orders, instructions or norms, originating from the upper tiers in the organisation, with acquiescence and conformity.

The decisional systems are based on criteria of validity and reality, that are defined by the organisational authority and are oriented to obtain harmony with the setting, take up a reactive character with respect to changes. All this generates a strong aversion to risk, involving low investment levels, low leverage, short-term investment projects, no or hardly any association with third parties, among other characteristics, which leads to a low concern for innovation, and a strong orientation to the internal social process and dynamics of the organisation.

The organisational design and structure show a strong, marked and desired sense of hierarchies and authority, along with the need and, at times an imperative urge, for a formal structuring of processes and relationships within the organisation. Thus, an exacerbated cult for law and written procedures, are parts of a desire to give authority an impersonal sense in order to lessen the danger of an arbitrary and negative use of power. There is an effort to generate a powerful but benevolent authority that will mitigate the uncertainty, but without

involving risks. All this generates heavy bureaucratic load of internal procedures and rules, vertical structures and a high centralisation, strengthened and supported by a discourse of willingness to serve, which at times is difficult to tell apart from submission to the authority.

Given these characteristics, a great importance is attached to the production of the good and/or service as this reinforces the individual's own value in relation to the internal authority, and very little concern for the client, if any, as his or her direct influence on the reward system which affects the employee is not envisioned. This leads to develop a very slight interest for the environment and encourages the tendency to think systematically in terms of the past.

The final decisions and responsibilities rests with the person who wields most power as subordinates do not participate formally in decisional processes. It can be observed that the administrative and productive activities are geared to the short term or in a linear projection of the past results as regards a near future, where the failure or success then attained are the justification for their decisions.

The characteristics of organisational culture in Chile has points of resemblance with other cultural models already described by other authors for different realities, but the profile of the associated traits and their consequences must be viewed as a single equation.

As in the case of similar works, the results obtained suggest relationships between organisational culture and the results, processes and structures in an organisation, though they insufficient to establish in a categorical manner a connection between organisational results and organisational culture at a theoretical level. New evidence is added to the findings of an increasing of investigations in that the relationship of the organisation with its setting and of the associated system of

decisions, are a function of the organisational culture modeled by the national character, rather than being centred on the individual cognitive process of those who make the decision.⁴⁶ Nevertheless, it is well worth pointing out that the information gathered in relation to the Chilean case helps to understand many of the behaviours observed in Chilean organisations and, in addition, gives professional planners and managers a sounder foundation on which to design organisational programs, policies and action plans aimed at improving results.

⁴⁶Reynolds, P.D. 1992; Sullivan, J. and I. Nonaka : 1988; Meyer, Alan.:1982.

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APPENDIX No. 1

General facts and background information of organisations studied (a)

Case No.	Ownership and its relation to the government	Industrial sector in which it operates	In business for	Competition perceived	Source of capital	Purpose when founded
Case No. 1	Listed joint stock company. Intervened between 1982 / 1986	Financial Services	16 years (1976)	National and international	National	Provide banking and financial services
Case No. 2	Unlisted joint stock company. Family business	Foodstuffs (confectionery and others)	13 years	National and international	National	Produce and sell sweets and sweetening agents
Case No. 3	Unlisted joint stock company. Family business	Textiles	49 years	National and international	National	Manufacture and distribute socks and tights
Case No. 4	Unlisted joint stock company. Originally a family business	Forestry	50 years	National and international	National and foreign	Manufacture basic timber products
Case No. 5	Unlisted joint stock company. State-owned between 1971 - 1976. Privatized in 1976	Chemical products and pharmaceuticals	29 years	National and international	Originally national; currently France and the USA	Manufacture drugs
Case No. 6	Unlisted joint stock company. Nationalized in 1971. Privatized in 1983	Glass manufacturing	60 years	No competition perceived	National	Glass manufacture
Case No. 7	Unlisted joint stock company. Family business	Department stores	73 years	National	National	Buy, sell and manufacture household and family products
Case No. 8	Listed joint stock company. Originally state-owned companies. Privatized in 1980	Telecommunications	10 years (original companies 50 years and more)	National	National	Provide communications between people and companies
Case No. 9	Unlisted joint stock company	Insurance	4 years (original companies 11 years)	High national and international	National	Insurance marketing
Case No. 10	Listed joint stock company nationalized in 1971. Privatized in 1976	Telecommunications	more than a 100 years	National	Foreign	Provide telecommunication services

Case No. 11	Unlisted joint stock company	Rubber manufacture	45 years in Chile	National and international	Foreign	Manufacture and market rubber tyres and batteries for vehicles
Case No. 12	Non-profit private organisation	Health	34 years	National: private and public	National	Prevention, treatment and recovery
Case No. 13	Limited liability partnership. Family business	Leather tanning	15 years	National	National	Process and market sheep and goat hides
Case No. 14	Listed joint stock company	Dairy products	40 years	National	National	Process and market dairy products
Case No. 15	limited liability professional partnership	Hospital services	30 years	National	National	X ray services, clinical tests, cancer detection, etc.
Case No. 16	Limited liability partnership	Clothes manufacturing and marketing	10 years	National and international	National	Manufacture and market clothes
Case No. 17	Limited liability partnership Family business	Trading, consumer goods	25 years	National	National	Distribute consumer goods
Case No. 18	Limited liability partnership. Family business	Metal-mechanic	21 years	No competition perceived	National	Manufacture electric industrial transformers
Case No. 19	Unlisted joint stock company. Originally state-owned, Privatized in 1983	Small and large scale mining	30 years	National and international	National	Copper mining and refining (concentrates)
Case No. 20	Unlisted joint stock company. Originally state-owned. Privatized in 1981	Medium scale copper mining	30 years	National and international	National	Copper mining and refining (concentrates)
Case No. 21	Unlisted joint stock company	Metal-mechanic	20 years in Chile	National and international	Foreign	Import parts and accessories for machinery
Case No. 22	Listed joint stock company	Wine production	more than a 100 years	National and international	National	Production and marketing of wines
Case No. 23	Limited liability partnership. Family business	Rubber products	18 years	No competition perceived	National	Manufacture and marketing of rubber products
Case No. 24	Limited liability partnership	Manufacture foodstuffs (pastas)	90 years	National and international	National	Produce spaghetti and pastas
Case No. 25	Limited liability partnership	Copper mining	3 years	National and international	National and foreign	Mining copper ore
Case No. 26	Limited liability partnership. Family business. Privatized in 1981	Copper mining	3 years	National and international	National	Copper mining and refining (cathodes)

Case No. 27	Unlisted joint stock company	Foodstuffs	More than 30 years	International and national	Foreign	Catering ground and air food services
Case No. 28	Unlisted joint stock company	Plastic products and related	45 years	National	National	Manufacture plastic products
Case No. 29	Non-profit national professional association	Trade-union	44 years	No competition perceived	National	Improve overall conditions for the practice of the medical profession
Case No. 30	Unlisted joint stock company	Health services and related	5 years	National	National	Medical services
Case No. 31	Listed joint stock company. Privatized in 1981	Gold mining	40 years	National and international	National	Placer gold mining
Case No. 32	Unlisted joint stock company	metal-mechanic	75 years	International and national	Foreign	Parts and accessories for machinery
Case No. 33	Unlisted joint stock company	Foodstuffs and related	10 years	National and international	National	Manufacture and market confectionery
Case No. 34	Unlisted joint stock company. Family business	Road Transportation	15 years	National and international	National	Road transportation, passengers and freight
Case No. 35	Listed joint stock company. Intervened during 82 / 86	Financial services	20 years	National and international	National	Financial and banking services
Case No. 36	State-owned CORFO subsidiary	Games of chance and related	58 years	No competition perceived	National	Games of chance
Case No. 37	Listed joint stock company	Financial services	10 years	National and international	Foreign	Financial and banking services
Case No. 38	Unlisted joint stock company. Nationalized in 1971. Privatized in 1976	Manufacture flexible packaging	30 years	National and international	National	Manufacture flexible packaging
Case No. 39	Listed joint stock company. State-owned Corfo subsidiary. Privatized in the 80's	Generate and distribute electricity	42 years	No competition perceived	National	Distribute electric energy
Case No. 40	Limited liability partnership. Family business	Trading - retail and Wholesale	11 years	National	National	Market goods, wholesale and retail
Case No. 41	Limited liability partnership. Family business	Trading -retail	11 years	National and international	National	Market footwear, retail

Case No. 42	Limited liability partnership. Family business	Textiles	20 years	National and international	National	Manufacture and market wicks for heaters
Case No. 43	Listed joint stock company	health insurance funds	8 years	National	National	Management of health insurance funds
Case No. 44	Limited liability partnership. Family business	Engineering services and related	12 years	National	National	Engineering services
Case No. 45	Limited liability partnership. Family business	Trading- retail	22 years	National	National	Market cassettes, records and related
Case No. 46	Listed joint stock company	Financial services and related.	2 years	National	National	Stockbrokers

General facts and background information of organisations studied. (b)

Case No.	Age range of the staff	Level of educational attainment of the staff	Largest organisational area	Seniority in the company.	Permanent headcount	Temporary staff
Case No. 1	Between 27 and 46 years	Technicians and professionals.	Management	10 years and more	2.333	45
Case No. 2	Between 27 and 56 years	Secondary education and Management professionals	Manufacturing	Less than 2 years.	49	26
Case No. 3	Between 37 and 56 years	Technicians and professionals	Manufacturing	Between 2 and 10 years	160	none
Case No. 4	From 27 to 66 years	Technicians and professionals	Manufacturing	Between 2 and 5 years	660	none
Case No. 5	Between 37 and 46 years	Secondary education and professionals	Manufacturing	5 years and more	106	20
Case No. 6	Between 27 and 56 years	Technicians and professionals	Manufacturing	From 2 to 5 years	400	54
Case No. 7	Between 27 and 36 years	Technicians and professionals	Sales	Less than 2 years	650	30
Case No. 8	Between 37 and 46 years	Secondary education and professionals	Operations	From 2 to 10 years	1200	40
Case No. 9	Between 27 and 46 years	Professionals	Management	2 years and more	46	2
Case No. 10	Between 26 and 37 years	Professionals	Operations	Between 2 and 5 years	7500	500
Case No. 11	Between 37 and 46 years	Professionals	Manufacturing	10 years and more	915	64
Case No. 12	Between 37 and 46 years	Professionals	Manufacturing	10 years and more	950	200
Case No. 13	Between 20 and 36 years	Technicians and professionals	Manufacturing	Between 2 and 5 years	50	4
Case No. 14	Between 27 and 36 years	Technicians and professionals	Manufacturing	Between 2 and more than 10 years	110	none
Case No. 15	Between 37 and 46 years	Elementary education, secondary education, and professionals	Management	More than 5 years	7	none
Case No. 16	Between 20 and 26 years	Technicians	Manufacturing	Less than 2 years	43	5

Case No. 17	Between 27 and 36 years	Technicians and professionals	Management	Less than 5 years	60	none
Case No. 18	Between 20 and 26 years	Technicians	Manufacturing	Between 2 and 5 years	189	7
Case No. 19	Between 27 and 36 years	Technicians	Manufacturing	Between 2 and 5 years	385	30
Case No. 20	Between 27 and 36 years	Secondary education	Manufacturing	Between 5 and 10 years	317	9
Case No. 21	Between 25 and 36 years	Professionals	Manufacturing	Between 2 and 5 years	76	6
Case No. 22	Between 27 and 36 years	Secondary education incomplete	Manufacturing	Between 2 and 5 years	400	200
Case No. 23	Between 25 and 37 years	Secondary education incomplete	Manufacturing	Between 2 and 5 years	450	none
Case No. 24	Between 27 and 36 years	Technicians	Manufacturing	Between 2 and 5 years	520	20
Case No. 25	Between 27 and 36 years	Technicians	Manufacturing	Less than 3 years	440	60
Case No. 26	Between 27 and 36 years	Technicians	Manufacturing	Less than 2 years	226	10
Case No. 27	Between 20 and 36 years	Technicians	Manufacturing	Between 2 and 5 years	1100	100
Case No. 28	Between 27 and 36 years	Secondary education	Manufacturing	Between 2 and more than 5 years	260	20
Case No. 29	Between 37 and 46 years	Technical and Secondary education	Management	Between 2, and more than 10 years	94	4
Case No. 30	Between 27 and 36 years	Technicians	Finances	Between 2 and 5 years	99	25
Case No. 31	Between 20 and 26 years	Secondary education	Manufacturing	Less than 2 years	103	3
Case No. 32	Between 27 and 46 years	Secondary education	Manufacturing	Between 2 and 5 years	65	4
Case No. 33	Between 25 and 45 years	Secondary education and technician	Manufacturing	Between 2 and 10 years	30	10
Case No. 34	Between 37 and 46 years	Technicians and professionals	Operations	Less than 2 years	120	none
Case No. 35	Between 27 and 36 years	Professionals	Management	Between 5 and 10 years	1200	40
Case No. 36	Between 25 and 65 years	Secondary education, Technicians	Management	Between 2 and 5 years	220	240

Case No. 37	between 27 and 36 years	Technicians and professionals	Management	Between 5 and 10 years	40	3
Case No. 38	Between 27 and 36 years	Technicians and professionals	Manufacturing	Between 5 and 10 years	275	none
Case No. 39	Between 27 and 36 years	Professionals	Management	Between 5 and 10 years	45	20
Case No. 40	Between 27 and 36 years	Secondary education	Management	Between 2 and 5 years	50	none
Case No. 41	Between 20 and 26 years	Technicians	Management	Between 2 and 5 years	200	50
Case No. 42	Between 20 and 35 years	Secondary education	Manufacturing	Between 2 and 5 years	35	none
Case No. 43	Between 27 and 35 years	Secondary education	Management	Between 2 and 5 years	198	none
Case No. 44	Between 27 and 36 years	Professionals	Manufacturing	Between 5 and 10 years	20	10
Case No. 45	Between 20 and 25 years	Secondary education	Sales	Between 2 and 5 years	15	5
Case No. 46	Between 22 and 30 years	Professionals	Operations	2 years	22	none

APPENDIX No 2:**ORGANISATIONAL CULTURE AND MANAGEMENT QUESTIONNAIRE**

Instructions:

Please, answer all the questions.

DO NOT WRITE YOUR NAME. This questionnaire is anonymous.

First part:

1. Identification of the company

1.1. Name of the Organisation

1.2. Number of years active in the market

1.3 Activity

2. Information about respondent. (Mark the answer which corresponds to your case with an X)

2.1. Age :

- less than 20 years.
- between 20 and 26 years.
- between 27 and 36 years.
- between 37 and 46 years.
- between 47 and 56 years.
- between 57 and 66 years.
- more than 67 years.
- no response.

2.2. Educational level:

- Primary education or less
- Secondary education, incomplete
- Secondary education.
- Tertiary education, Technical diploma (up to 4 years)
- Tertiary education, Professional diploma (5 years or more)

2.3. Profession or trade:.....

2.4. Type of position held in the company:

- Management:
- Clerical, sales and production personnel:
- Consultant:

2.5. Area in which position is held:

- Commercial
- Finance
- Personnel
- Manufacturing
- Information technology
- Management

2.6. Number of years in the company:

- less than 5 years.
- more than 5 but less than 10 years.
- more than 10 but less than 15 years.
- more than 15 years.

Second part:

Instructions:

Now, we want you to choose only one of the alternative answers. It must be the alternative which, in your opinion, comes closest to what you consider to be what happens in this organisation.

1. For the people working here, it is more important, in their everyday behaviour to:
 - a) devote their efforts to the development of good interpersonal skills with the other members of the organisation and delaying the performance of tasks;
 - b) devote most of their time and effort to perform tasks leading to the objectives and goals related to the position and subordinating the development of interpersonal skills to performing tasks on hand.
2. Would you say the relationships between people:

- a) are emotionally neutral, that is to say, they are established in order to perform the work and are only maintained to the extent that they are functional to the attainment of results and objectives of the position;
- b) involve a significant emotional commitment, where people feel involved in the well-being of the others and are carried out in terms of common interests, and shared values and concerns which are not within the domain of the work or task.

3. The relationships which people establish in the organisation:

- a) are specific and related only to the field of work and to organisational life, and are maintained and developed during working hours and at the workplace;
- b) are general and go beyond the work place and organisational life and include relationships with family, etc. They are developed outside working hours and outside the organisation, in activities such as holidays spent together, parties and other recreational, cultural and political activities, etc..

4. The content and value attached to interpersonal links, within this organisation are:

- a) related to the behaviour that the individual has had over time, and to his/her performance, achievements, as well as the quality and quantity of his/her results;
- b) based on the prestige and status that individuals may have outside the field of work, such as professional diplomas, family background, material wealth, geographic location of dwelling, etc.

5. People when establishing, maintaining, and developing their links with others in the organisation:

- a) do so thinking that they are a means enabling them to attain their personal interests;
- b) perceive these relationships as a mechanism or means allowing them to fulfil their collective interests and expectations, which all of them are involved in.

6. In this organisation, when individuals express judgments and evaluate the behaviour of others:

- a) they use the same criterion for all the people which hold the same job position or perform similar duties;
- b) they apply specific criteria for each person in particular, by taking into consideration the particular conditions affecting each individual as well as the resources available to his/her job position.

7. In your judgment, the people working here consider that this organisation has the necessary resources and the capacity to:

- a) control and change its relevant environment.
- b) coexist and establish some degree of harmony with its environment, through the presence of a common legal framework as a result of negotiations with other organisations and the State.

- c) have and maintain a specific space in the market in which to carry out its activities, accepting and subjecting itself to the conditions and the legal framework that exist in its environment.

8. The majority of the people in this organisation consider that the aspect of its environment having a greater impact and which is more important for a good performance of the organisation is:

- a) The technological aspect
- b) The political aspect
- c) The economic aspect
- d) The socio-cultural aspect

9. People in this organisation, when it comes to decide on the activities which are going to be undertaken, on the grounds that they consider them most real and true, base their behaviour on:

- a) their own experience in their job position and in the organisation.
- b) on information arising from scientific research.
- c) on the analysis of secondary information about the subject.
- d) on simulation and experimentation in the laboratory.
- e) on the legal framework, norms and traditions affecting the organisation.
- f) on moral, ethical and/or value-related foundations of the decision and its consequences.
- g) on systematic and collective speculation as to the possible consequences of the decision to be taken.
- h) on expectations of what will be deemed convenient by the Upper Management.
- i) on opinions of specialists in the subject regarding which a decision is to be made.
- j) on future estimations and projections periodically carried out by the organisation.

10. Owing to the characteristics of working life in this organisation, people perceive time as if it were:

- a) an arrow thrust at great speed propelling them to the future.
- b) a spiral wrapped around its own axis, where one always returns to something similar and known.
- c) a set of simultaneous and parallel tunnels, along which one travels at different rhythms and submitted to different pressures.
- d) a staircase in which each level has specific characteristics.

11. When people talk about the organisation, in informal conversations during the working day, in their judgments, explanations and comments, they speak of:

- a) the events, processes, conditions or other things that are happening in the organisation and in its field of influence.
- b) the events, processes, conditions and other things that happened in the organisation and in its environment in the preceding years.
- c) the events, processes, conditions or other things that may happen in the future in the organisation and in the environment that affects it.

12. In this organisation, people behave as if they considered it were possible to:

- a) perform several activities simultaneously.
- b) perform only one specific activity after another.

13. When some task is requested, or an activity is planned during the working day, the unit of time which is used most often by the people in this organisation is the:

- a) second
 - b) minute
 - c) hour
 - d) day
 - e) month
 - f) year
-

Third part:

Instructions :

Now we request you put a "1" next to the statement (a, b, c, or d) which best represents the dominant opinion among the people working in the organisation, a "2" next to the statement which represents the second best opinion of the people in the organisation, and so on successively with a "3", until finally assigning "4" to the statement that is most removed from the opinions of the people in the organisation.

1.- A good boss is:

- a) Solid, showing determination but fair. Reassuring, generous and open-minded with his/her loyal subordinates.
- b) Impersonal and principled, avoids exercising power and authority to his/her advantage. Only expects his/her subordinates to do what the formal system prescribes.

- c) Egalitarian and capable of being influenced in matters concerning work activities. Uses his/her authority to obtain the resources needed to complete the work assignments.
- d) Concerned and sensitive to the needs and principles of the rest. Uses his/her position to provide satisfactory career opportunities for his/her subordinates and to encourage growth.

2.- A good subordinate is:

- a) Obedient, hard-working and loyal to the interests of those he/she reports to.
- b) Responsible and trustworthy, carries out the duties and responsibilities of the job position and avoids actions which might embarrass or take his/her chief by surprise.
- c) Self-motivated to contribute to the best of his/her abilities in his/her work and is open with his/her ideas and suggestions. Nevertheless, he/she is prepared to turn leadership over to others when they show greater skill and ability.
- d) Actively interested in developing his/her own potential and readily inclined to learn and receive help. He/she also respects the needs and values of others and is willing to help and contribute to their development.

3.- A good member of the organisation gives first priority to:

- a) The personal requests of his/her chief.
- b) The duties, responsibilities and requirements of his/her own role and the usual patterns of personal behaviour.
- c) The requirements of the task in relation to experience, skill, energy and material resources.
- d) The personal needs of the individuals involved.

4.- The people who do well in the organisation are:

- a) Bright and competitive, with a great drive for power.
- b) Conscientious and responsible, with a high sense of loyalty to the organisation.
- c) Technically effective and competent, with a great commitment to finish assignments.
- d) Effective and competent in personal relationships, with a great commitment to the growth and development of people.

5.- The organisation treats the individual as:

- a) If their time and energy were at the disposal of people higher up in the hierarchy.
- b) If their time and energy were made available through a contract with rights and responsibilities for both sides.

c) A collaborator who has committed his/her experiences and abilities to a common cause.

d) An interesting person and having merit in his/her own right.

6.- In the organisation people are controlled and influenced by means of:

a) The exercise of personal power of the Upper Management (Rewards and Punishments).

b) The exercise of the impersonal authority of the Upper Management to ensure compliance of procedures and norms.

c) The communication and discussion of the needs of the organisation leading to action motivated by a personal commitment to achieve goals.

d) The interest and satisfaction obtained in performing assignments and/or the interest in, and concern for the other people involved.

7.- It is legitimate for a person to control somebody else's activities if:

a) They have greater authority within the organisation.

b) They hold a position in the organisation which makes them responsible for guiding and directing others.

c) They have greater knowledge about the task on hand.

d) The other accepts that the help or instruction received will contribute to his/her learning and growth.

8.- The bases for assigning tasks are:

a) The needs and the personal judgment of who is vested with the authority.

b) The formal division of functions and responsibilities within the system.

c) The resources and experience required by the assignment to be performed.

d) The wishes and personal needs to learn and grow of the individual members of the organisation.

9.- The assignments are carried out on account of:

a) Expected rewards, fear of punishment, or personal loyalty towards the Upper Management.

b) Respect for contractual obligations with the organisation or the system.

c) Satisfactions to be obtained from the excellence of work performed and sense of achievement, and/or personal commitment to the assignment or results.

d) Satisfaction derived from the activity and/or concern and respect for the needs and principles of the other persons involved.

10.- The people work as a group when:

- a) Upper Management so requires it and/or when they think it could be useful for their mutual personal benefit.
- b) The coordination and exchange of ideas is stipulated by the formal system.
- c) Their joint contribution is necessary to complete the task.
- d) Cooperation is a source of satisfaction, a stimulus or a personal challenge.

11.- The purpose of competition is to:

- a) Gain power and personal benefit.
- b) Obtain positions of prestige within the company.
- c) Increase the excellence of the contribution to performing assignments.
- d) Attract attention towards ones own personal needs.

12.- The conflict is:

- a) Controlled by the intervention of the Upper Management and, often, fomented by the Upper Management to maintain its power.
- b) Suppressed by referral to rules, procedures and definitions of responsibility.
- c) Resolved through dialogue, in relation to its link with the achievement and fulfilment of goals and objectives.
- d) Resolved by means of open and in depth dialogue concerning the needs and values involved.

13.- The decisions are taken by:

- a) The person with most authority and power.
- b) The person whose job description is vested with the responsibility.
- c) The people who have the greatest knowledge and experience in relation to the problem.
- d) The people who are most involved and personally affected by the result.

14.- In an appropriate communication and control structure:

- a) Orders and instructions flow from top to bottom, in pyramid-like fashion so that anybody who is higher up in the pyramid has authority over anybody who is below him/her. Information, on the other hand, flows from the bottom to the top through the chain of command.
- b) Orders and instructions flow from top to bottom and the information flows from the bottom to the top within functional pyramids that are at the apex. Authority and responsibility of a job position is limited to those job positions below its own pyramid.
- c) Information, concerning requirements and problems related to work assignments, flows from the centre of the activity to the rest of the

organisation. Those which are nearer to the area of work determine the resources and the support needed from the rest of the organisation. Upper Management fulfils a coordination function to establish priorities and needs for resources based on information from all the centres of production.

- d) Information and influence flow from person to person, based on voluntary relationships which seek to learn the job, give support, obtain mutual satisfaction and share values and interests. Upper Management performs a coordination function which proposes general levels of personal and group contributions, needed to maintain the organisation. Tasks are assigned by mutual agreement.

15.- Responses to the external environment of the organisation are as if the environment were:

- a) A competitive jungle in which everybody is against everybody, and those who do not win are losers.
- b) An orderly and rational system in which competition is regulated by the law and there can be bargaining and compromising to solve conflicts.
- c) A complex set of imperfect conventions and systems which can be modified and improved by means of results attained by the organisation.
- d) A set of threats and potential supports, which could be used as a means to obtain the resources which are needed. A place of work for the satisfaction and growth of the members of the organisation.

APPENDIX No 3:

Guideline for Interview: Organisational culture and administrative practices

- 1.- Which words best describe the usual manner in which people work in this organisation?
- 2.- Which behaviours drew your attention the most when you joined the organisation?
- 3.- What changes in behaviour have you observed in the people in the organisation, during the time you have worked here?
- 4.- What events have taken place in the organisation which you would associate with those changes?
- 5.- The people that work here think that the organisation's:
 - . Main goal is _____
 - . Reason for being is _____
 - . Basic functions are _____
- 6.- In your opinion, what is the impression that people have of the organisation, by the way they are received and treated when they join the organisation ?
- 7.- How would you describe the organisation to an eight year old child?
- 8.- What do you know about the origins and development of the organisation?
- 9.- What reasons do you think can account for the growth and success of the organisation?
- 10.- What are the people that work here like?
- 11.- What characteristics do the people who are successful in the organisation have?
- 12.- What words would best describe the relationships between the people working for the organisation?
- 13.- Could you describe how a typical day is spent in this organisation?
- 14.- Which are the most important activities performed by the people in the organisation?
- 15.- For which aspect of their performance at work are people rewarded in the organisation?
- 16.- The papers which circulate internally, what subject are they most frequently about (for instance: memoranda)?
- 17.- How would you describe the leadership / subordinate relationships in this organisation?

- 18.- What changes do you possibly envisage in the future in this organisation?
- 19.- Which is the primary reason why people come to work in this organisation?
- 20.- What is it that people like the most about the work they perform in this organisation?
- 21.- What is it that people dislike the most about the work they perform in this organisation?
- 22.- For which reason, would people working for the organisation like to move to another one?
- 23.- What type of important information about the industrial sector do the people in the organisation know the most about ?
- 24.- Who obtain(s) this information?
- 25.- Who make(s) decisions based on this information?
- 26.- Who control(s) the results derived from using this information?
- 27.- What rewards do you think the people that work here are looking for when they perform a work assignment which attains the proposed goals and is performed on time?
-

Guideline for interview: Managers or individuals responsible for the functional area.

A. ECONOMIC AND FINANCIAL RESOURCES

1. What percentage of the organisation's profits have been reinvested on average during the last five years?
- less than 10 %
 - between 10 % and 25 %
 - between 25 % and 50%
 - more than 50 %
2. Does this involve the enforcement of some formal reinvestment policy?
- no, there is no reinvestment policy.
 - yes.
3. The investments in this organisation:
- correspond to a plan carried out on a periodical basis.
 - are made in terms of the immediate circumstances and needs.
4. The investments, over the last five years, were financed:

- primarily with the organisation's own resources
- primarily with loans
- own resources and loans, in the same proportion.

5. Which was the indebtedness ratio which the organisation accepted, tolerated or became involved in over the last five years?

6. In which sectors has the organisation invested over the last five years?

- in the organisation itself
- in the same sector
- in related sectors
- in different sectors

7. Did the organisation prefer to share investment risks with a third party in the case of new projects?

- | | | |
|---------------------|---|-----|
| - same sector | - | yes |
| | - | no |
| - related sectors | - | yes |
| | - | no |
| - different sectors | - | yes |
| | - | no |

8. The investments in the organisation were oriented primarily to:

- long term projects (.....years)
- short term projects (.....years)

9. Who make(s) the investment decisions?

- Board of directors (or owners)
- General manager.
- Finance manager.
- The manager of the corresponding area as per the budget.
- The personnel of the corresponding area, as per the budget.
- other. (who?.....)

10. Over the last five years, have new processes been implemented to handle information for decision- making ?

-yes Which?

11. Which were the financial results of the management over the last five years?

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
= <u>Operation costs</u>	↓	↓	↓	↓	↓
= <u>Fixed Assets</u>	↓	↓	↓	↓	↓
= <u>Net profit</u>	↓	↓	↓	↓	↓

22. What involvement do people in the organisation have at trade-union and/or political levels?

23. What importance does the organisation attach to the study of the legislation which affects it?

24. Which is the impact of the current legislation on your activities?

25. Which are the aspects of management which are given the most importance?

26. Which area(s) of the organisation are given the most importance in the allocation of resources and in decision-making?

27. What is the supervision of subordinates like?

B . HUMAN RESOURCES

1. What relative importance do the following factors have in determining wages? (number them from the most to the least important)

- seniority in the organisation.
- efficiency at work.
- level of educational attainment.
- wage levels in the market for the same job position.
- relative importance of the job position within the organisation.
- others (which?.....)

2. Does the organisation have any incentive policies?

- no
- yes
 - primarily monetary.
 - primarily non-monetary.
 - a combination of monetary and non-monetary incentives.

3. What percentage of operational costs is apportioned to pay wages?

- less than 10 %
- between 10 % and 20 %
- between 20 % and 30 %
- between 30 % and 40 %
- between 40 % and 50 %
- more than 50 %.

4. How often are wages readjusted?

- monthly according to CPI.
- quarterly according to CPI.
- tri-annual according to CPI.
- bi-annually according to CPI.
- annually according to CPI.
- other (which?)

5. Which of the following investments in human resources have been made in a systematic way by the organisation over the last five years?

- training
- facilities
- recreation
- social benefits.
- others. (which?)

6. What kind of social benefits exist for the employees?

7. Are there any trade unions in the organisation?

- no
- yes how many..... ?

8. What percentage of the personnel is unionized?

- less than 20 %
- between 20 % and 40 %
- between 40 % and 60 %

- between 60 % and 80 %
- more than 80 %

9. Have any changes in the organisational structure taken place over the last five years?

- no
- yes which?

10. To what extent do there exist informal relationships within the organisation?

- nearly non-existent.
- only limited to working teams.
- normal, within what is to be socially expected.
- a high degree, except at the higher hierarchic levels.
- excessive, at all hierarchic levels.

11. Are there any internal conflicts in the organisation?

- few, nearly non-existent.
- the normal ones in any organisation.
- many, but controllable.
- excessive, and not always under control.

12. Have new methods for handling information, needed in decision-making processes, been implemented in your area over the last five years?

13. How would you describe the style of management that prevails in the organisation?

14. How many people have been employed by the organisation, permanently and on a temporary basis, over the last five years?

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
<u>Permanently employed</u>	↓	↓	↓	↓	↓
<u>Employed on a transitory basis</u>	↓	↓	↓	↓	↓

how were they determined?

15. Training expenditures over the last five years amounted to:

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
<u>Training expenditures</u>	↓	↓	↓	↓	↓

16. What type of training has the personnel had over the last five years? Who participated in these activities? Who conducted the training?

17. What is the link between training activities and other plans or programs within the organisation?
 18. What system is used to perform job positions analyses and descriptions? What factors are given consideration? Are wages tied up to this procedure? Is there any systematic information on the market considered?
 19. Does an up-to-date human resources information system exist in the organisation? What kind of information does it contain?
 20. Which is the organisational structure: levels, categories and nomenclature?
 21. Are work climate and job satisfaction evaluated? How often? How are they evaluated?
 22. To what extent are people in the organisation involved in trade-union and/or political activities?
 23. What importance is given by the organisation to the study of the legislation affecting it? Why?
 24. Which is the impact of the standing legislation on your activities?
 25. Which are the managerial aspects which most importance is given to?
 26. Which are the areas of the organisation deserving most importance when assigning human resources and in decision-making?
 27. Who participate(s) in the decision-making processes? At which level and in which fields?
 28. What is the supervision of subordinates like?
-

C. COMMERCIAL AND MARKETING RESOURCES

1. What type of product / service does the organisation manufacture?
 - intermediate products and/or services.
 - end products and/or services.
2. How many lines of products does the organisation have?
3. How many products and/or services does each line have?
4. The products and/or services are, mainly, manufactured:
 - to order (customised).
 - standardised.
 - semi-standardised.
 - a combination of customised, standardised and semi-standardised.

5. Which distribution channels does the organisation use primarily?

- **direct sales to clients.**
- **retail**
- **wholesale.**
- **direct sale, retail and wholesale.**

6. The products and/or services are sold preferably:

- **over the counter.**
- **by a sales task force**

how many salespeople are there in the organisation?.....

does the organisation have its own sales force or does it share it?

7. Which criterion is used to determine the price of the products and/or services?

- **cost margin.**
- **market prices.**
- **both.**
- **others (which?)**

8. Does the organisation conduct sales campaigns?

9. Does the organisation conduct sales promotions?

10. Does the organisation have any publicity?

11. The publicity conducted by the organisation is:

- **corporate.**
- **by product.**
- **others (which?)**

12. The publicity carried out is:

- **massive.**
- **selective.**
- **specialised.**

13. What percentage of sales is allocated to publicity?

14. Have there been any changes in the production processes over the last five years?

15. Does the organisation have an area engaged in research and development?

16. What percentage of the sales is apportioned to research and development? Over the last five years, has this budget remained the same, decreased or increased?

17. Have new processes been implemented to handle information needed in decision-making over the last five years?

18. What have the sales results been over the last five years:

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
<u>Sales (products and/or services)</u>	↓	↓	↓	↓	↓

19. Does the organisation have any system to obtain information on the market? What type of information is given consideration?

20. In your opinion, which are the strategic objectives of the organisation?

21. Is market research carried out?

22. What relationships are maintained with the other agents active in the market?

23. What involvement do people in the organisation have in trade-union and/or political activities?

24. What importance is given by the organisation to study the legislation affecting it? Why?

25. What is the impact of current legislation on your activities?

26. Which managerial aspects are given most importance?

27. Which are the areas of the organisation that deserve most consideration in allocating resources and in the decision-making processes?

28. Who participates in the decision-making processes?. At which level and in which areas?

29. What is the supervision of subordinates like?

APPENDIX No 4:**Organizations Studied: Listed alphabetically**

Agroindustria Ranch & Fruit Chile (ECOVIDA S. A.)
Alusa S. A.
Andueza & Sedwick S. A.
Banco de Credito e Inversiones S. A.
Banco de la Nacion Argentina S. A.
Banco de Santiago S. A.
Casseteria Santos
Cater Air S. A.
Clinica Mella
Colegio Medico de Chile A. G.
Compañia de Telefonos de Chile S. A.
Comercial Forshop Ltda.
Comañia Minera Los Pelambres Ltda.
Comañia Minera Tamaya S. A.
Compañia Minera Santa Carolina de Michilla S. A.
Compañia Minera Cerro Negro S. A.
Compañia Minera El Lince Ltda.
Cozmar e Hijos Ltda.
Curtiembre Jordec and Cia. Ltda.
EMEL S. A.
Emilio Sandoval Poo y Cia. Ltda.
Establecimientos La Polar S.A.
Good Year de Chile S. A. I. C.
Heller S. A.
Hospital del Trabajador (Asociación Chilena de Seguridad - ACHS)
INCO Ltda.
Industria Foliadora de Maderas S. A. (INFODEMA)
Intervideo Ltda.
Inversiones Sudamericano S. A. Corredores de Bolsa.
ISAPRE La Cumbre.
ISTEL S. A.
Italpasta Ltda.
Laboratorio Rhone-Poulenc Rorer S. A.
Lechera del Sur S. A.
Manufacturas de Caucho Blasmar Ltda.
Morgan and Son Ltda.
Plasticos del Pacifico S. A.
Polla Chilena de Beneficiencia S. A.
Sandvik S. A.
S.K.F. Chile S. A.
Sociedad Comercial Inostroza y Cornejo S. A.

TELEX-CHILE (Telecomunicaciones de Chile S. A.)
Transformadores Tusan Ltda.
Transportes Internacionales Vitores S. A.
Vidrios Lirquen S. A.
Viña Santa Carolina S. A.

LIVERPOOL
UNIVERSITY
LIBRARY

