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MUTUAL OBLIGATIONS BETWEEN MANAGEMENT
AND WORKERS IN PERU

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1968

Technical Report #5
Contract No. N00014-67-A-0098-0001
ARPA order 852

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*This work was carried out with financial support from the Advanced Research Projects Agency and the Wenner-Gren Foundation. The contract with Kalamazoo College is administered by the Group Psychology Branch of the Office of Naval Research.

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ABSTRACT

This paper compares questionnaire response of management and labor sectors in Peru on their opinions as to the duties of the worker and the company's obligation to the workers. There is surprising agreement between the management and labor groups interviewed on important issues, such as: that the incompetent worker should be fired; that impersonal, objective criteria should be used in selecting new workers; that reasonable working rules should be strictly enforced; that high quality norms should be insisted upon; and, that supervisors should try to settle the problems of workers if at all possible rather than pass them all on to higher management. Generally, there was also agreement between both sectors that ability, rather than seniority, should be the determining criteria for wage increases.

Labor and management differed on a number of traditionally important bargaining matters. Workers favored retention of workers even when no longer needed, due to automation or declining business. They also disagreed as to the best training for workers, since workers favored training outside of the plant whereas management favored training by their own personnel department. In any event neither of these systems is very common. In general, labor tended to be more paternalistic in its orientation than management respondents.

The expressed areas of agreement reflect changes in behavior over the last few years, during which there has been a marked decline in the absolute number of strikes per year, in spite of a considerable expansion of the industrial activity and increase in the number of unions. Although it is premature to say this, it looks as though Peruvian management and labor are already reaching basic agreement on many of the most important rules of the game in labor-management relations.

MUTUAL OBLIGATIONS BETWEEN MANAGEMENT AND
WORKERS IN PERU

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The purpose of the present study is to discover similarities and differences between the management and labor sectors in Peru with respect to their opinions as to what duties a worker owes his company, and the company's obligations to the workers.*

In Japan, Whitehill and Takezawa found a general movement away from paternalism in the work place, but considerable carry-over of traditional paternalistic relations outside of the work place. In another paper, the results of the responses of Peruvian workers have been compared with those of Japanese workers. In this report, a comparison will be made between the labor and the management sectors within Peru.

THE SAMPLE

The questionnaire was applied to groups, each informant filling it out himself after appropriate instructions. The author administered the questionnaire, and answered any questions as they came up. In September of 1967, there was a marked devaluation of the Peruvian currency, and this may well have affected the responses of groups interviewed during October and November.

*The original questionnaire was developed by Dr. Arthur M. Whitehill Jr. and Professor Shin-Ichi Takezawa and was applied to 283 male workers in five factories in Japan. This was reported in Cultural Values in Management-Worker Relations in Japan; Gimu in Transition (Research Paper #5 published by the School of Business Administration, University of North Carolina, Chapel Hill, March 1961). Since that time a revised instrument has been applied to workers in Japan and the United States and the report on that work will be forthcoming later in 1968 in a book by the same authors entitled, The Other Worker.

The labor groups interviewed were:

- (1) A group of union officials studying at a labor training center in Lima.

Almost all of these men worked as blue-collar workers in their companies as well as serving as union officers.

- (2) A one-third sample of the blue-collar workers in a modern industrial plant.

- (3) A group of workers studying in a technical institute in order to acquire advanced skills.

The management-oriented groups were the following:

- (1) The managers of industrial relations sections in some of Peru's largest factories.

- (2) Graduate business students, many of whom are engineers, three quarters of whom have had work experience prior to returning to take the Master's degree.

- (3) Third and fourth year undergraduate majors in business administration in a private University. These students are generally younger, without work experience, and of higher social class origin than the average student in the graduate business school.

Since the Government is very much involved in labor-management relations, it was thought that it might be interesting to get the opinion of a group of public servants. With this in mind, a group of public servants who were also studying in a school of public administration was also interviewed, and the results from this group are presented in summary form in the note at the end of the article.

As the reader can see from the list of groups interviewed, only one group in each sector was selected which was not undergoing any specific preparation to improve itself on the job. In the management group, the labor relations managers were not as a group undergoing training, nor was the one-third sample of the labor force in one factory. All of the other groups interviewed are characterized by their attempt to improve their levels of competence through further training. This means that we have at least two biases which lead us to conclude our sample is not

representative of both labor and management sectors in Peru. In the first place, our sample is generally younger than the total labor or management force. Secondly, there is a bias towards high achievement--oriented people who are making a serious effort to improve their condition in life. The possible effects of these biases will be commented upon later.

THE QUESTIONNAIRE

The original questionnaire used by Whitehill and Takezawa contains forty hypothetical questions to which there are four alternative answers. One of the questions was dropped because it had no possible application in Peru. The alternatives are graded from an extreme "Eastern" to an extreme "Western" response. Generally speaking, the extreme Eastern alternative is the "soft" line, particularistic choice, whereas the extreme Western alternative is the "hard" universalistic, impersonal, and non-paternalistic. In this report, we will refer to this continuum as one of paternalism since that seems to be the principal variable involved. As in the case of the Japanese study, all of these alternatives appeared reasonable enough for them to be selected by somebody at least part of the time.

Generally speaking, the labor groups were much more inclined to choose the extreme paternalistic response than were the management groups. But labor groups were also more inclined to choose the non-paternalistic extreme. In other words, management groups showed a greater tendency to stay away from either extreme of the continuum.

Owing to limitations of space, only a few questions will be presented in tabular form. The results of other questions will be summarized in the text. Only the totals for the two sectors will be presented in the tables. Where there are significant differences between groups within either of the two sectors, these will be described in the text and the summary and conclusions.

THE FINDINGS

After many years of maintaining a perfectly stable currency, Peru finally devalued severely at the beginning of September of 1967. Since this questionnaire was applied within a few months of this devaluation, there was considerable interest in the five questions which dealt with situations of unneeded labor. Labor might not be needed owing to technological change, or because of the incompetence of the individual or because of a general business decline. In the first question, respondents were asked what they thought management should do when a production worker is no longer needed on his regular job. The results of this question are presented in Table I below.

TABLE I

When a production worker is no longer needed on his regular job, management:

<u>Management</u>	<u>Workers</u>	
26	56	1. Should find him different work wherever available in the company since he has been hired for the company rather than a particular job.
22	17	2. Should find him different work if available at the production level, without further obligation.
40	19	3. Should offer him different work at the production level only if he is qualified for the work, without further obligation.
12	9	4. Should feel no responsibility to offer him different work since he was hired to perform a particular job.
100% = 129	113	

Although the modal response for the three managerial groups was the third alternative, almost half of the men in the industrial relations association voted with labor and chose the first alternative. This was one of the questions where there was a very marked difference between the students who intend to go into manage-

ment and the men who are already in responsible positions. On this question, and several others, the worker-students showed a tendency to vote more with management than with labor. This is no doubt due to their hope that upon terminating their training, they will be promoted to positions of foremen. Apparently, they are already beginning to socialize themselves to this role.

What should management do if a worker proves to be undesirable after he has been hired? Here we get essential agreement between both management and labor that the worker should be offered a definite period for improvement and then if still undesirable, he should be discharged. Not surprisingly, management felt somewhat stronger on this alternative than did labor. Again, the worker-students showed the same distribution as the management groups with 70 per cent of them choosing this alternative as compared with 65 and 42 per cent for the other two labor groups. These responses are somewhat surprising since the first two alternatives which say that the company should feel responsibility to provide employment until the worker retires or dies, or should at least feel responsible to provide employment until he can find another job, are more typical of actual practice in Peruvian industry. At the other extreme, only 13 per cent of the total respondent group felt that the company should feel no responsibility to continue employment of undesirable workers.

What did the respondent think the union should do when a company is currently operating at a financial loss? Workers generally chose the standard alternative of still demanding at least the prevailing rates in the locality and/or the industry, whereas the modal response for the management group was that the union should at least feel reluctant to make new wage demands.

However, in another question, respondents were asked what they personally would expect to do if their company business declines 50 per cent and shows no signs of improving. Forty per cent of the managerial respondents and 48 per cent of the workers chose the extreme paternalistic alternative of saying that they would expect to continue full-time employment at normal pay as long as the company continues.

Industrial relations managers showed a tendency toward sacrifice with the modal response being that they would expect to continue working but shorter hours and at less take-home pay. Only the graduate business school students had as much as a third of its group choosing the extreme non-paternalistic response that they would expect to lose their job because the best economic interest of the company demands it. This is one of the many questions where we will see that there is a general tendency on the part of respondents to expect a paternalistic treatment from the company where it is to the individual's interest, but generally, they do not accept traditional obligations to the company. This is very clearly indicated by the response to another question in which they were asked what they thought the worker should do if his company experiences a prolonged decline of business. Half of both the management and the labor groups chose the extreme non-paternalistic response saying that the workers should feel free to quit and get a job with a more prosperous company. The other three alternatives involve varying degrees of sacrifice by the worker in terms of staying on working shorter hours and having reduced take-home pay.

THE DETERMINATION OF WAGES

There were several questions having to do with the determination of wages and related matters. In deciding individual wage increases, to what should management give most importance? In Table II below the results of this question are tabulated.

TABLE II

In deciding individual wage increases, management should give most importance to:

<u>Management</u>	<u>Workers</u>	
0	4	1. Age and/or length of service, but need not consider ability.
3	19	2. Age and/or length of service, but with some consideration given to ability.
82	48	3. Ability, but with some consideration given to age and/or length of service.
15	28	4. Ability, and need not consider age and/or length of service.
100% = 129	113	

These results are quite surprising since in fact age and time of the service are generally crucial in the determination of wages in Peru. Both labor and management agree that ability should be the deciding factor. Proportionately more labor than management felt that age and length of service need not be considered at all. It is not hard to see why management should prefer to pay on the basis of ability with some consideration of age or seniority, but why does labor give such a heavy vote to the third and fourth alternatives? This is one of the issues where age no doubt has had its effect on the responses. As mentioned earlier, the labor groups involved here are generally younger than a representative sample and therefore have less interest in seniority. In fact, they probably suffer a great deal seeing workers with more years of service, doing exactly the same work, but earning two to four times as much as they do. Although 75 per cent of the union leaders voted for either the third or fourth alternative, only 13 per cent of them chose the fourth, compared with an average of 40 per cent for the other two labor groups. Union leaders recognized that they must give some consideration to age or length of service, and in actual bargaining, I doubt that they would give up the principle of seniority.

Almost all of the workers felt that each worker's total pay should include some sort of family allowance, and only a quarter of management felt that there should be no extra payment for size of family. But there is considerable difference between the different managerial groups. The undergraduates from a private university voted very much with labor in favoring at least a policy in which the wage should indirectly reflect the size of family, whereas a third of the graduate business school and almost half of the industrial relations people felt there should be no extra payment for size of family.

Another question where our respondents differed in opinion from almost worldwide practice, was in their rejection of wage discrimination against women. They were asked, what the basic wage should be when a male and a female worker are doing

the same job at the same output and have about the same education and age? Three quarters of the management group and 60 per cent of the workers said that the wages should be equal since they do equal work. Those who did justify higher payment for the man, did so on grounds of his greater financial needs. Only 3 per cent of management and 5 per cent of the workers felt that the pay should be greater for the man because he makes a greater long-term contribution to the company. This is the response that is closest to the justification most commonly given in the United States for wage differentials favoring the man. Personnel managers can demonstrate quite clearly that female workers have much higher rates of absenteeism and turnover.

What would management prefer a worker to do if he becomes dissatisfied with his pay? Ninety-one per cent of the management-oriented group and half of the labor group said they thought management would prefer a worker go directly to his foreman and voice his complaint.

In order to get some measure of loyalty to the company, the respondent was asked, what he would do if another equally desirable company should offer him a job at 20 per cent higher pay. The workers split their vote almost evenly in three different categories with one-third taking the extreme paternalistic position of saying they would show loyalty and patience by staying with their present company, another third saying they would talk it over with their foreman and then decide themselves what to do, and the other third saying they would simply accept the offer and quit the present company. But within the labor group, the vote was widely split with the modal response of the workers in one plant choosing the extreme paternalistic response, this being extremely realistic in their situation, since the factory was cutting back production and had recently experienced lay-offs. They were uneasy about their own future and made a good show of loyalty. On the other hand, the worker-students chose as their modal response that they would simply accept the offer and quit their present company.

FRINGE BENEFITS

Whatever special bonuses may be paid by particular companies in Peru, it is customary to give a bonus equal to two weeks salary on Independence Day, 28th of July, and again at Christmas time. This means that workers normally receive 13 months salary in a year. How should they consider a bonus payment? Almost nobody thought that workers should consider it as a gift from management to improve their total income. Three-quarters of the workers felt that it should be considered as either a share in the profit of the company or as an extra reward for each individual's output during the bonus period. Only 19 per cent considered it a part of their regular wage which management has the responsibility to pay at specified times, even though this is certainly the custom. Management viewed it quite similarly, except that a larger percentage of them felt that it should be considered as an extra reward for each individual's output during the bonus period, and only 14 per cent said that they thought it should be a part of their regular wage which management has the responsibility to pay at specified times.

With respect to housing for worker, 79 per cent of both management and worker thought that company should provide low interest loans to assist workers in owning their own homes. The only difference between management and labor on this item was at the extremes where 10 per cent of the workers and only one per cent of the managers thought that the company should provide company housing at no charge. Correspondingly, 10 per cent of management and none of the workers felt that the company should avoid direct financial assistance in housing.

Almost an identical distribution prevailed on the question asking what the company should do with respect to employee savings. Three-quarters of both groups felt that the company should help workers form a credit union on a voluntary basis. Only 14 per cent of the workers and two per cent of management chose the extreme paternalistic response saying they thought the company should check-off part of the wages of all workers and save it for them at favorable interest. At the other end

of the continuum, only 16 per cent of managers and six per cent of workers took the extreme non-paternalistic alternative saying that the company should consider employees' savings strictly a personal matter.

There was also general agreement between both sectors that football games, picnics and excursions for workers should be planned and financed jointly by a committee of workers and management with purely voluntary worker participation. Less than 10 per cent of either group felt that these things should be planned and financed by workers and their families with no management involvement. On these first four items, it is clear that both management and labor share the opinion that management should be involved in the life of the worker where it is economically advantageous to the worker.

Management and workers did disagree fundamentally on the question of what a company should do if an employee becomes sick and cannot work. Almost two-thirds of the workers felt that the company should continue his wage until he recovers with practically all of the rest saying that they should at least continue his wage for about two years and then hold his job without pay until he recovers. Almost half of management agreed with these first two alternatives, but the other half argued that the company should continue his wage for about two years without obligation to hold his job beyond that time, or more commonly, continue his wage for about three months without obligation to hold his job beyond that time. As in a number of other questions, the students from the private university (who are generally of higher social class background than the rest of the managerial respondents and were also younger and without experience), tended towards the more paternalistic end of the continuum.

RELATIONS BETWEEN SUPERVISORS AND LABORERS ON THE JOB

In spite of a general cultural orientation towards formal education, almost two-thirds of both management and worker groups felt that anyone with ability regardless of education, should be allowed by the company to hold foreman and higher

positions. There was no difference between any of the groups in either sector. This is the most extreme non-paternalistic alternative offered in the question, and the response of the informants is consistent with their earlier emphasis on promotion and wage increases being based strictly on ability.

In spite of their willingness to allow anyone to rise to the position of foreman, regardless of education, there is considerable difference of opinion between and within sectors as to where the foreman has arrived when he finally does make it. The results of this question are presented in Table III.

TABLE III

In my opinion, foremen should be:

	<u>Management</u>	<u>Workers</u>	
	3	21	1. Regular union members so they may share in workers' gains through collective bargaining.
	47	30	2. Union members for the special purpose of informing labor of management's problems and management of labor's problems.
	17	10	3. In special unions of their own instead of joining workers' unions.
	31	38	4. Prohibited from joining labor unions since they are management and not labor.
NA	2	1	
100% =	129	113	

Generally speaking, both management and worker groups have significant percentages rejecting the foremen as members of their group. Almost half of the management group think that the foreman should be a member of the union for liaison between the two sectors, while workers gave their largest single vote to prohibiting the foreman from joining their union. Within the management group, only about a quarter of the students felt that the foremen should be prohibited from joining unions because they belong to management. However, half of the industrial relations managers chose this last alternative. Within the labor sector, one-third of the union officials

felt that foremen should be regular union members so they may share in workers gains through collective bargaining. About one-third of the other two labor groups felt that foremen should be union members with the special purpose of informing labor of management problems and management of labor problems. This is quite a common position for foremen in many industries in Peru. But about half of these last two labor groups perceive the foreman as a member of the management team.

One of the more surprising results of this questionnaire is contained in Table IV below.

TABLE IV

I think the best job training a worker can get is from:

<u>Management</u>	<u>Workers</u>	
3	12	1. Observation of senior workers in the shop.
15	5	2. Instruction from his immediate supervisor.
63	26	3. Training specialists from the personnel department.
19	58	4. Technical high schools or other special trade schools outside the company.
100% = 129	113	

Most industrial systems, including that of Peru, depend heavily on training by the first two methods mentioned, yet both sectors indicate a strong preference for the last two methods. Management clearly wants control of the training, whereas labor prefers to get trained outside the plant. Both of these positions are completely rational from the individual's point of view. To the extent that management can train with its own personnel department, it can give precisely the training required for carrying out a particular job, without producing a generally skilled person. On the other hand, labor clearly sees it to its advantage to have a certificate of training obtained outside the company which will enable them to move from one job to another with greater ease, or to enter a particular job under more favorable conditions.

Merit classifications are traditional points of conflict between management and labor, particularly when these systems attempt to include off-job factors. Respondents were asked if a merit system, in addition to reflecting the individual's achievements and weaknesses on the job, should also reflect off-job achievements and weaknesses. A third of management and a quarter of the workers chose the extreme paternalistic alternative of saying that such a merit rating system should include all off-job achievements and weaknesses. But the modal response for workers was that it should include only those off-job achievements bringing credit to the company, whereas the modal response for management was the extreme universalistic choice of saying that it should include no off-job achievements or weaknesses whatsoever.

There was agreement between management and labor as to what they thought a company should do with respect to the practice of comparing the performance of individual workers. In this case two-thirds of the workers chose the most universalistic response that the company should make comparisons among workers and should stimulate each worker by disclosing to him his standing in the group. Almost half of the managerial group agreed with this alternative, but had a strong second preference for making use of comparisons among workers but not disclosing the results. This alternative was the modal response for the graduate student group within the management sector, whereas two-thirds of the labor relations managers chose the most universalistic response.

What is a good supervisor supposed to do when a worker asks him to present a complaint to higher manager? There was total agreement among all sectors that the best alternative was that the supervisor should make every effort to solve the worker's complaint himself and avoid wherever possible presenting it to higher management. The second choice for both groups was that the supervisor should listen carefully to the worker's complaint, and then decide in each case whether or not to present it to higher management.

Changes in work methods and assignments are another area of considerable tension

between management and labor in any industrial system. What should a good supervisor do when there is a need for a change in methods or work assignments? This was one of the items where workers were further toward the non-paternalistic end of the continuum than management, with 40 per cent of them choosing the fourth alternative, saying that a good supervisor should allow his workers to participate in deciding what changes should be made and how to make them. Management had this as a strong second choice but half of managerial respondents thought that the supervisor should first ask his workers for their suggestions regarding the proposed changes, then decide themselves what be done.

Shifting the question to the level of top management, respondents were asked what higher management should do in cases of changing rules which affect workers. Labor again correctly perceives its interest, and over half of them voted for the fourth alternative of conferring with line supervisors, union representatives, and the workers involved before making a change. Over one-third of the management informants agreed with this alternative, and half agreed with two other alternatives suggesting lesser degrees of consultation. Less than ten per cent of both groups said that higher management should feel confident making changes based only upon management judgment and experience. This is one of a number of questions where no doubt we would have had a different distribution if we had had a more representative sample of these sectors. All of these people had heard of participative management and most of them approved of it at least in principle.

If we move back down the line to the foreman level, we still see much of the same insistence on participation by workers. Respondents were asked, what they thought a foreman should do if he wishes to discuss with workers questions on work assignments or methods? The workers split their vote almost evenly saying that the foreman should give more weight to the opinions of workers with longer service on the job or that he should give more weight to the opinions of the worker who is a union steward. Of course, the union leaders favored this last alternative quite

strongly, whereas over half of the managerial group favored the first alternative mentioned. Only 18 per cent of the managerial group and 4 per cent of the worker group thought that the foreman should give no special weight to the opinions of any one individual or group.

We also find a strong sense of agreement between management and labor in Peru with respect to enforcement of rules. Two-thirds of the labor group and over 80 per cent of the managerial group said that the foreman would get the best cooperation from his workers regarding enforcement of rules, if he makes sure they are reasonable rules, informs his workers, then strictly enforces them. None of the managerial groups and only 4 per cent of the workers took the post paternalistic response of saying that the foreman would get better cooperation if he tries to protect workers who violate rules from penalty by higher management. Similarly, there was very strong agreement between both management and labor that in cases where an inspector reports products which are satisfactory but not quite up to quality standards, the foreman should find the worker, reprimand him, and insist on meeting quality standards as the best policy for both workers and management. A third of both groups chose the alternative saying that the foreman should overlook the particular instance but find the worker at fault and tell him to improve.

Another item where both workers and management were in agreement that the most universalistic criteria was the best, even though it is not common practice, was with respect to hiring new people. They were asked what should management do when there is keen competition among applicants for jobs in the company. Two-thirds of the manager group said that they should hire only on the basis of the applicant's qualifications and practically all of the others said that they should give preference to workers' family members if their qualifications are equal to those of other applicants. Labor was not quite as unified on this, and somewhat less than half favored hiring strictly on the basis of qualifications. A quarter of each group favored either giving the jobs at least to first sons of workers in preference

to others, or giving preference to workers' family members if their qualifications were equal to other applicants'. None of the managers and only 2 per cent of the labor took the most paternalistic alternative of giving jobs to workers' family members in preference to others, without any qualifications whatever.

ATTITUDES TOWARDS THE UNION

Should workers have a union, and if so what kind? We find the expected differences here between management and labor. Almost nobody in either sector took the most paternalistic alternative of saying that workers should not have unions unless management fails to provide good wages and working conditions. Over half of the managerial group argued that workers may have a union but it should confine itself to the company and avoid outside influences. Only 4 per cent of the labor sector felt that this was a satisfactory alternative. Labor split its vote almost evenly between the third and fourth alternatives of saying that workers should have enterprise unions affiliated with national labor organizations or that they should be united in a single powerful labor organizations.

Should workers be allowed to engage in union activities in the plant? Again we find the expected differences between sectors as well as the expected differences within the labor sector. Almost half of the union officials chose the most paternalistic response saying that the company should allow workers to engage in union activities in the company during working hours without deduction of pay. This notion had considerable less support among the other two labor groups. Over half of the other two labor groups felt that the company should allow workers to engage in union activities in the company but only after working hours. Management gave three-quarters of its vote to that alternative.

COMPANY ENVIRONMENT

What kind of environment should management try to create in order to encourage work identification? There was a sense of agreement between management and labor

with each group giving half of its vote to the alternative of thinking of the company as a place for workers and management to meet during work hours to accomplish mutual goals. Labor leaders were considerably more paternalistic than other labor groups and gave almost half of their vote to the most paternalistic choice offered--that workers should think of their company as very much like a big family to which they will belong until retirement. Only 8 per cent of labor and 9 per cent of management chose the most universalistic alternative of thinking of the company as strictly a place to work and entirely separate from personal life.

Should the company be involved in the religious life of its employees?

Respondents were asked what they thought the company should do with respect to religious symbols (such as altars or shrines) and religious ceremonies in the company. Although over one-third of both sectors disapproved of any involvement by the company in the religious life of the individual, all of the rest favored varying degrees of intervention. One-third of both groups approved of voluntary religious counseling of individuals but do not approve of symbols or ceremonies in the plant. The other third in each group split its vote between the two most paternalistic alternatives of either approving of the company providing religious symbols and conducting periodic religious ceremonies, or approving the symbols but not the ceremonies.

OUTSIDE THE PLANT

What kinds of responsibilities and displays of loyalty should be expected of a worker outside the plant? In this case, the managerial group was willing to employ more universalistic criteria than labor and 41 per cent of the managers, compared with 21 per cent of labor, said that the worker should feel no restraint in discussing any aspect of the company at any time. Over a third of the laborers, on the other hand, thought they should refrain from talking about the company since they may hurt its standing and reputation, or should feel free to discuss only those matters which they think are favorable to the company. The modal response for labor

(43 per cent, and 40 per cent for management) was that the worker should feel free to criticize the company whenever he feels this is justified.

Another item which taps the identification of the worker with the company was one which asked how the worker should think of himself and act when he leaves the plant. Two-thirds of the managerial group thought that the worker should think of himself first as a private individual, then as a company representative. Half of the workers, and only 12 per cent of management felt that he should think of himself as a private individual with no responsibility towards the company after work hours. About equal proportions of the two sectors thought that the worker should think of himself and act first as a company representative and then as a private individual.

There were several items designed to measure status carry-over outside the plant. To what degree should employees show the same respect outside work to their supervisors as they would on the job? One of the items asked what the individual would do if his immediate supervisor enters the crowded bus in which he is riding. The differences between what laborers and managers say they would do is rather slight. Somewhat more laborers than managers said they would always offer their seat to the boss since he is their superior. Somewhat more managers than laborers said they would always remain seated unless the superior is considerably older. Again the worker-students displayed the managerial distribution rather than the distribution for labor on this particular item. When it comes to simple conversation between supervisors and subordinates there was practically no difference at all between labor and management or within either of these two groups. The question asked, who should speak first when a supervisor meets one of his subordinates on the street? Over half of both groups took the most universalistic response of saying that who speaks first is a matter of no concern to either person. None of the managerial group and only 3 per cent of the worker group took the most paternalistic alternative saying that subordinates should speak first and that the supervisor may choose to respond or not.

There was strong agreement among all groups that a foreman may socialize with his workers but preferably on a "Dutch treat" basis. Ten per cent or less of the respondents in each group chose the two most paternalistic alternatives which involved the foremen inviting workers to parties at his expense. There was also strong agreement that periodic presenting of gifts by workers to their supervisors was not a good idea. A little over half of each group felt that this should be done only on the basis of friendly exchange of gifts. The other half of the worker group split its vote between the first alternative which said that this is a natural and proper custom expressing gratitude and the fourth alternative that this custom should be considered bribery and avoided if possible. The managerial group split the remainder of its vote in a similar fashion.

The last item on the questionnaire stated, "I believe workers are willing to work hard on their jobs because, 1. They want to live up to the expectations of parents and family." Only two per cent of management and six per cent of labor chose this alternative, and gave similar importance to the second alternative, saying that they work hard because they feel they should do whatever work is assigned to them. Over half of each group chose the third alternative saying that the harder they work, the more successful they expect their career to be in the company. The second strongest vote, taking between a quarter and a third of each group, was the most universalistic alternative that "the harder they work, the more money they expect to earn."

SUMMARY AND CONCLUSIONS

Comparing the opinions of Peruvian management groups with those of Peruvian labor, we see a number of issues where they agree. The following were among the issues where there was essential agreement between management and labor: that the incompetent worker should be fired, that impersonal objective criteria should be used in selecting new workers, that reasonable work rules be strictly enforced as the best policy, that high quality norms should be insisted upon, that the supervisor

should try to settle the problems of workers if at all possible rather than pass them all on to higher management, and that ability rather than seniority should determine wages. Since these are traditionally important issues of conflict when labor and management really get down to cases, it would seem important to note that, in principle, they both agree as to what makes most sense.

Labor and management differ on a number of issues that are also traditionally important bargaining matters. These refer to when workers are no longer needed due to automation or declining business. Generally, they disagree on including the size of family as a factor of wage determination. While they agreed that the best training is to be obtained by systems not generally in use, workers favored training outside the plant where management favored inside training.

In general, in those issues where labor and management sectors differ considerably in their opinions, labor tended more towards the paternalistic end of the continuum in 9 questions and management was further towards the paternalistic end of the continuum in 7 questions. These differences are those of specific issues and cannot be interpreted as representing very different value orientations.

Moving to a second level of analysis, we can check groups within each of the two sectors and note some of the points at which they differ from their fellows. The labor-student group, which was getting further training at the time of the questionnaire, voted with the other labor groups on 15 questions, and voted strongly with management on 4 and had a mixed response on the rest of the questions. As noted above, this group tends to see itself as moving across the blue-collar white-collar line into the lower reaches of management in the near future. Probably for this reason, they voted in some cases with management. The undergraduate business students from the private university voted with the graduate students on 23 questions but were substantially different from them on 17 questions. In these 17, the undergraduate group was normally more paternalistic than the graduate students. This can be accounted for by a number of factors such as, higher social class origin, younger

age, less and different academic training, and less experience.

As noted at the outset, the groups interviewed cannot be considered as a representative sample, but rather, as "loaded" with younger, more achievement-oriented men than the average. But precisely because of this bias, the opinions of these men may be of more than average importance. The data indicate a marked movement away from interest in paternalistic treatment in work relations. Informants did want paternalistic treatment when it was clearly to their economic advantage, but favor more impersonal, universalistic relations on the job. This is generally true of both labor and management. If these attitudes are indeed widely shared, labor-management conflict in Peru in the near future should continue to become more focussed on fewer issues, and should erupt into strikes less frequently. It looks like this trend is already under way, since in recent years there has been a marked decline in the absolute number of strikes per year, in spite of considerable expansion of industrial activity, with attendant growth in the number of unions and unionized workers. Apparently, in the early stages of industrial development, Peruvian management and labor are already reaching basic agreement on many of the most important "rules of the game."

NOTE ON RESULTS ON A GROUP FROM THE PUBLIC SECTOR

The results from this group were not included in the discussion, partly because these people are not clearly identified with either labor or management and partly because of the size and diversity of the group. We had only 43 cases in this group and they were very diverse in terms of age and present jobs. Forty per cent of the group was under 30 but 26 per cent was over 40. This means that in terms of age they rank closest to the industrial relations managers in being the only other group with a sizeable percentage over 40. On the other hand, the industrial relations group have only 9 per cent under 30. Similarly, they were closest to the labor sector in terms of education, since half of them had only a high school education. Some were young, low level clerks and others held managerial posts in State Banks.

Where labor and management were agreed on particular issues, the public sector also went along. Where there were differences between management and labor, the public sector voted with labor about half of the time. Generally speaking, the public sector group favored the same sorts of paternalistic treatment from management as labor. That is, that workers should be kept on even when not needed, that they should receive two years salary or so when they are sick and cannot work, and that they should receive family allowances. The public sector also voted with labor in their tendencies to be willing to return a show of respect off the job by always offering a seat on the bus to their supervisor.

On the other hand, the public sector voted with management on a number of other issues saying that union should not request salary increases when the company is losing money. They also thought that foremen should be members of the union for liaison purposes. They favored use of the personnel department for training workers rather than outside training or informal on-the-job training by older personnel.

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Unclassified

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Advanced Research Projects Agency

Mutual Obligations Between Management and Workers in Peru

4. DESCRIPTIVE NOTES (Type of report and, inclusive dates)

Progress report on field work.

5. AUTHOR(S) (First name, middle initial, last name)

Stillman Bradfield

7. REPORT DATE

September 1958

7a. TOTAL NO OF PAGES

24

7b. NO OF FIGS

1

8a. CONTRACT OR GRANT NO

N00014-67-A-0098-0001

b. PROJECT NO

ARPA order 852

9a. ORIGINATOR'S REPORT NUMBER(S)

5

9b. OTHER REPORT NO(S) (Any other numbers that may be assigned this report)

10. DISTRIBUTION STATEMENT

Distribution unlimited.

11. SUPPLEMENTARY NOTES

12. SPONSORING MILITARY ACTIVITY

Advanced Research Projects Agency
Department of Defense
Washington, D. C.

13. ABSTRACT

This paper compares questionnaire responses of management and labor sectors in Peru on their opinions as to the duties of the worker and the company's obligation to the workers. There is surprising agreement between the management and labor groups interviewed on important issues, such as: that the incompetent worker should be fired; that impersonal, objective criteria should be used in selecting new workers; that reasonable working rules should be strictly enforced; that high quality norms should be insisted upon; and, that supervisors should try to settle the problems of workers if at all possible rather than pass them all on to higher management. Generally there was also agreement between both sectors that ability, rather than seniority, should be the determining criteria for wage increases.

Labor and management differed on a number of traditionally important bargaining matters. Workers favored retention of workers even when no longer needed, due to automation or declining business. They also disagreed as to the best training for workers, since workers favored training outside of the plant, whereas management favored training by their own personnel department. In any event neither of these systems is very common. In general labor tended to be more paternalistic in its orientation than management respondents. The expressed areas of agreement reflect changes in behavior over the last few years, during which there has been a marked decline in the absolute number of strikes per year, in spite of a considerable expansion of industrial activity and increase in the number of unions.

DD FORM 1473 (PAGE 1)

1 NOV 55

S/N 0101-807-6811

Security Classification

A-31408

Bargaining

Promotion policy

Paternalism

Unions

Supervisors

Workers