

## The span of communicated ideas on corporate social responsibility (CSR) in Peru: the discourse on labour

### ABSTRACT

Since the establishment of ISO 26000, which is the international standard for social responsibility, companies around the world have increased their focus on corporate social responsibility (CSR) and on how their actions, products and services affect society. CSR is often seen as an extension of corporate communication but it is not always practised as such, and where it is, it may not always be practised according to the principles inherent in the standard. The objective of this study was to identify the span of the communicated ideas – the range of predominant beliefs – on the labour dimension of CSR in Peru. Q-methodology was used to identify four dominant perceptions on the topic. A significant finding of the study was that while there was consensus on the need to address specific issues of Peruvian labour, CSR, particularly CSR as an instrument of corporate communication, was not held up as the vehicle with which to do so.

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## **INTRODUCTION**

With the establishment of ISO 26000, the international standard for organisational and business social responsibility, companies and governments around the globe have increased their focus on corporate social responsibility (CSR) and its practice. Established in October 2010, the standard addresses the effects of organisations' products, services, processes and actions on society, and their responsibility for these (ISO, 2010). The underlying principles of the standard are that corporate action should be consistent with social interests and sustainable development, be rooted in ethical behaviour, remain compliant with all applicable laws and intergovernmental instruments and standards, and that these standards be built into the daily affairs of the organisation (Frost, 2011; ISO, 2010).

CSR is sometimes seen to be attainable only with the communication resources of an organisation and it is very commonly conceptualised as a facet of corporate communication, public relations and even of marketing (Blomqvist & Posner, 2004; Clark, 2000; Du, Bhattacharya & Sen, 2010; Morsing & Schultz, 2006; Plummer, 2005; Schiebel, 2012). It is evident, however, that the communication dimension of CSR is conceptualised very differently by its stakeholders. For example, it is often seen as philanthropy towards underserved or underprivileged communities with only minor concern for communication or, at the other extreme, as a whitewash for corporate activity that is not entirely ethical (Burton & Goldsby, 2009; Coldwell, 2010; Karnani, 2011; Orlitzky, Siegel & Waldman, 2011). The objective of the present study was to identify the span of these communicated ideas as they relate to key labour issues of CSR in Peru. The *span of communicated ideas* refers to the range of sufficiently salient, unique and undiluted ideas that are circulated on a topic – in this instance on the topic of labour issues of CSR in Peru. The study was undertaken with the support of Peru's Department of Labour and the Spanish Cooperation Agency for Development.

### **1. THE RESEARCH PROBLEM**

Against a background of free trade agreements, a general decline in tariff barriers, and a globalised communications and transport infrastructure, companies not only have the benefit of access to the opportunities of global markets, but are moreover confronted with the dangers of globalised competitive pressure (Boatright, 2000; Casanova, 2005; Scherer, Palazzo & Matten, 2009). These conditions have generated considerable debate regarding the fundamental purpose of the modern firm, its relationship to society and its focus on profit (Handy, 2002; Sen, 2009; Steyn & De Beer, 2012). One distinct strand in this discussion is the view that sustainable, high firm performance can only be attained in cases where the firm expands its objectives to satisfy the needs of a broader array of stakeholders than merely the firm's owners and extends to forms of partnership that may vary in strength and scope (Girard & Sobczak, 2012; Halal, 2001).

It is now widely held that the very success of organisations is dependent on the perceptions of their stakeholders on their environmental impact, ethics, social reporting and degree of turbulence perceived to exist in their mutual relations (Slabbert & Barker, 2012; Steyn & Niemann,

2010; Valackiene, 2010). Corporate objectives should be set with consideration being given to issues of social responsibility, i.e. to the interests of a broad range of stakeholders, such as employees or government, to societal concerns, such as environmental sustainability or corporate transparency, in addition to the traditional interests of shareholders and the objective of profit (Garcia-Castro, Arino & Canela, 2011; Goodpaster, 1991; Kay & Popkin, 1998; Orlitzky et al., 2011). The value inherent in a reputation that generates trust and strengthens relationships with an organisation's stakeholders is now consistently seen as vital to the continued well-being of the organisation (Rensburg, De Beer & Coetzee, 2008; Thiessen & Ingenhoff, 2011). Though there is certainly some agreement on the scope, specification and value of CSR, there is also disparity as regards the perception of CSR between and within individual countries (Axinn, Blair, Heorhiadi & Thach, 2004; Parnell, Scott & Angelopoulos, 2013; Sen, 2009; Shafer, Fukukawa & Lee, 2007; Singhapakdi, Vitell & Leelakulthanit, 1994; Velasquez, 1996; Vitell, Ramos & Nishihara, 2010). This disparity, it appears, is evident in Peru, which, over the past forty years, has experienced wide extremes in economic policy, politics, society and the business environment (Jaramillo & Silva-Jáuregui, 2011).

Following the military dictatorship of the 1970s, more than a decade of guerrilla activity, hyperinflation in the 1990s, followed by aggressive privatisation and foreign investment, Peru's current economic and political stability and free-trade policies have rendered it one of the strongest of Latin American economies (Murakami, 2007; Tello & Tavera, 2010). In this economic environment, both the link between companies and society and the role of CSR have gained wide attention (Flores & Ickis, 2007; Gil, 2009; Murakami, 2007; Quiroz, 2008; Schwalb, García & Soldevilla, 2006). The operational implementation of CSR however remains undeveloped (Burton & Goldsby, 2009; Marquina, Gofii, Rizo-Patrón, Castelo, Castro, Morice et al., 2011).

Many companies in Peru undertake philanthropic projects for benevolent reasons and, in some cases, to improve their image as part of their communication endeavours. However, where CSR is adopted more comprehensively and endorsed as policy within companies, the focus is most commonly on community relations and the environment, and only very rarely on labour issues (Angelopoulos, Parnell & Scott, 2013; Caravedo, 2009; Garavito, 2008; Portocarrero, Sanborn & Camacho, 2007; Schwalb, Ortega, García & Soldevilla, 2003). Issues of CSR in the labour domain have become areas of particular interest among those concerned with social equity and inclusion (Jaramillo & Silva-Jáuregui, 2011), with the repudiation of corruption (Quiroz, 2008) and with government policy (Perú 2021, 2010), and, also among Peruvian managers who, as provisional research would suggest, have a more marked tendency towards idealism than do their counterparts elsewhere (Robertson, Olson, Gilley & Bao, 2007).

This study was undertaken to identify the span of communicated ideas on a range of labour issues related to CSR in Peru. It was conducted among management and labour in different regions of the country. The research aim was both to identify the subjective perceptions prevailing in the communicated discourse among the participants and to understand the formulation of these perceptions from the participants' perspectives. *The span of communicated ideas* is the range of sufficiently unique and salient ideas on these issues. Their identification is crucially

tied to the ability of the selected methodology to isolate distinct ideas on the topic and to its ability to identify their degree of salience of these. To realise the stated aims, an exploratory Q-methodology research design was employed.

## **2. METHODOLOGY**

Q-methodology originated in the work of William Stephenson who developed the methodology as an inductive alternative to the deductive research methods that prevailed in psychology during the 1920s and 1930s (Stephenson, 1935). Q-methodology studies subjectivity from the unique viewpoints of the participants, by incorporating their opinions on a topic in forms that are not hypothesised by the researcher (Brown, 1980; Dziopa & Ahren, 2011). In an endeavour to identify subjective viewpoints, it utilises both qualitative and quantitative techniques and it may therefore be described as ‘qualiquantological’ (Angelopulo, 2009; Dziopa & Ahren, 2011; Watts & Stenner, 2005).

Q-methodology is a form of factor analysis that differs from its other variations in a number of ways, with the factoring process being perhaps the most significant (Brown, 1980; Stricklin & Almeida, 2004). Q-methodology factors respondents in their relationship to a range of variables as opposed to factoring variables in their relationship to respondents. This is essentially achieved by inverting the traditional factor-analytic data matrix with columns representing individuals and rows representing traits. It retains centroid factor extraction because of its indeterminacy and for that very reason allows for judgemental factor rotation, a manual rotation method that can be used to explore a range of theoretical alternatives to the question at hand. Its strength lies in its ability to isolate the dominant perceptions within a particular discourse – in this case, the discourse on CSR in Peru – and to do so in a way that reflects the fundamental views of the research participants in that these views are formulated in their minds and not in those of the researcher.

This study was undertaken in a sequence that is commonly followed in Q-studies: the concourse was identified, a Q-sample developed, the P-set was selected, the Q-sort administered, data were processed and, finally, the results were interpreted (Angelopulo, 2009; Dziopa & Ahren, 2011; Ellingsen, Størksen & Stephens, 2010).

### **2.1 Concourse**

The first stage entailed the identification and collection of a comprehensive range of perceptions, viewpoints and expressed ideas on the area of interest – what is collectively termed *the concourse* (Brown, 1980; Cross, 2005). The concourse should incorporate as full a spectrum of opinion on the point of interest as it is possible for the researcher to gather. The concourse may be developed in many ways, for example, previous research, discussions with people – lay, professional or academic – whose experience lies in the area under investigation, and also from academic literature or the media. In this study, the concourse was developed in discussions with the Peruvian Department of Labour and then refined by means of a pilot study during the process of establishing the Q-sample.

## 2.2 Q-sample

The concourse comprises a comprehensive arrangement of items and communicated ideas on the research topic and is normally too complex or extensive to be used directly in survey or interview form. The concourse is therefore reduced to a smaller, more manageable set of items representative of the concourse and termed *the Q-sample* (Brown, 1980). The Q-sample may be structured to reflect categorical and subcategorical frameworks within the concourse or it may have no categorical structure. It may vary in size, with Q-samples commonly comprising 30 to 75 items, although studies may include more or fewer than these numbers (Angelopulo, 2009; Brown, 1980; Cross, 2005). The representation may be isomorphic (with one-to-one correspondence and high equivalence) or homomorphic (many-to-one correspondence with similar structure but reduced complexity in the Q-sample). In this study, the items were originally arranged according to the following underlying themes or constructs: *child labour, freedom of association, role of unions, general perceptions of CSR, working conditions and discrimination*. In a pilot study undertaken in Lima, it became evident that a number of items had to be refined and that the underlying categories of the concourse were better specified as *child labour, organised labour, stakeholder perspectives, views on workers' conditions, and discrimination*. These constructs were utilised to structure the 35-item Q-sample in a homomorphic representation of the concourse. Individual items were formulated from the significant subthemes of the underlying constructs of the concourse and again pretested to the satisfaction of the researchers. The final Q-sample and its underlying theoretical structure are illustrated in Table 1, with items translated from the original Spanish.

**Table 1: The Q-sample and its underlying constructs**

no	Items	Underlying constructs
1	Children are better off working than living on the street.	Child labour
2	Work teaches children responsibilities.	Child labour
3	Companies cannot do anything to change the situation of working children.	Child labour
4	It is impossible to control subcontractors on child-labour issues.	Child labour
5	Working children are likely to become parents of working children.	Child labour
6	Working children have very limited chances of finding a good job with good pay.	Child labour
7	The completion of the compulsory education curriculum guarantees better working conditions as an adult.	Child labour
8	For companies the best union is a non-existent union.	Organised labour
9	Unions do not think about the interests of the company.	Organised labour
10	Unions are a problem for the competitiveness of companies.	Organised labour
11	Unions are essential for the peaceful resolution of labour disputes.	Organised labour
12	The relationship between company and workers is always conflictual.	Organised labour

no	Items	Underlying constructs
13	The company should encourage the participation of workers by creating a union.	Organised labour
14	Unionists do not want to work.	Organised labour
15	In order to export, a company must respect the labour issues of CSR.	CSR issues in labour
16	Government should encourage CSR in issues of labour.	CSR issues in labour
17	CSR in labour issues is voluntary and the government should not intervene.	CSR issues in labour
18	CSR interventions in labour issues are an excuse to reduce the power of unions.	CSR issues in labour
19	CSR in labour issues is pure marketing that is used to hide real problems.	CSR issues in labour
20	CSR in issues of labour ensures that workers are equated to other stakeholders in importance.	CSR issues in labour
21	CSR in issues of labour offers an opportunity for workers to be heard.	CSR issues in labour
22	Workers are an investment not a cost to the company.	Views on workers' conditions
23	Workers are a source of innovation in the company.	Views on workers' conditions
24	Workers who underperform should be publicly criticised to set an example to others.	Views on workers' conditions
25	Workers who do not meet their agreed work quotas must make up their shortfall later.	Views on workers' conditions
26	Workers who want to get ahead are not preoccupied with the 8-hour workday limit.	Views on workers' conditions
27	Workers with debts cannot terminate their work contracts at will.	Views on workers' conditions
28	The safety of workers must be a priority in companies.	Views on workers' conditions
29	Women of childbearing age must earn less to offset the risk of pregnancy to the business.	Discrimination
30	Hiring young workers is a risk to the business.	Discrimination
31	Workers over 45 do not adapt to the new rules of the market.	Discrimination
32	One's surname may limit opportunities for advancement in Peruvian companies.	Discrimination
33	People from Lima are more likely to get ahead in companies.	Discrimination
34	Unionised workers are less likely to progress within companies.	Discrimination
35	Companies should treat all people equally regardless of who they are.	Discrimination

### **2.3 P-set**

The participants (or respondents) in a Q-study – termed *the person sample* or *P-set* – are selected to represent the range and variety of subjectivity, perception and points of view that exist on a topic within a group (Brown, 1980; Cross, 2005; Ellingsen et al., 2010). Ideally, participants are individually selected for the unique majority and minority perspectives that each participant contributes. However, in practice, this is often difficult to achieve. Individuals may not be easily identifiable, they may not be willing to participate or the population may be too large. Participants are therefore, as far as possible, selected according to the researcher's judgement and by means of strategic or purposive sampling. Where this is inadequate, alternative methods, such as disproportional stratified sampling, should be used (Brown, 1980; Donalek & Soldwisch, 2004; Ellingsen et al., 2010; Petit dit Dariel, Wharrad & Windle, 2010; Schmolck, 2008; Stainton Rogers, 1995; Steelman & Maguire, 1999). P-set selection should be guided by an attempt to identify the span of ideas within the population and not by demographic representation of the population, so that, unlike the case in much quantitative research, the urgency to include large samples subsides. Large samples could, in addition, mask the minority views that Q-methodology is particularly able to identify and isolate. In any event, the upper limit of the P-set in the study was dictated by the 120 maximum permitted by the PCQ software utilised in the study, and the realised responses were a full 120.

The P-set was drawn from the greater population identified by Peru's Ministry of Labour and Promotion of Employment and was selected to reflect as wide a range of views as possible. A number of individuals were selected for their particular insights, experience, personal views, regional approaches, managerial or worker perspectives. For the remainder, selection was by disproportional stratified sampling. Participants were of balanced gender, management and worker positions, and all were employed. They were invited to participate in a series of sessions that were conducted in towns and cities in nine diverse economic regions: Lima, Trujillo, Arequipa, Ayacucho, Iquitos, Puerto Maldonado, Tacna, Piura, Chimbote and Cusco.

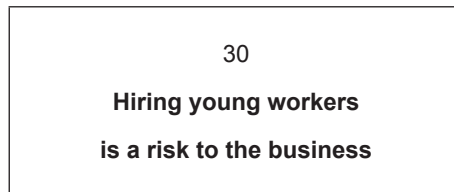
### **2.4 Administering the Q-sort**

Data were collected in the field in twenty-four face-to-face meetings with participants and lasted between 40 and 90 minutes in a process known as Q-sorting. The sessions began with an introduction and explanation of the study. Participants were presented with an A3-size board on which a response grid was printed (see Figure 1). The Q-sorting process was then explained. Participants next completed the Q-sort.

	-4	-3	-2	-1	0	1	2	3	4	

**Figure 1: The response grid**

Each participant was given a set of 35 response cards stacked in random order. Each card had one of the items of the Q-sample printed on it and also the particular item’s reference number (see Figure 2).



**Figure 2: Example of a response card**

Participants were requested to arrange the cards on the grid according to the extent to which they agreed or disagreed with the statement on each card. Items were to be arranged from those most disagreed with (under -4) through to those most agreed with (under 4). One card had to be placed in every available block. The fixed structure of the grid forced participants to identify critically the small number of items with which they most agreed or disagreed, placing these on the sides of the grid and moving towards the middle those items about which they were more ambivalent. Participants were free to move the cards around the board until they were satisfied with their arrangement. Upon completion, the positions of the cards on the boards were recorded, as were certain of the participants’ demographic characteristics. To ensure anonymity, participants were not, however, personally identified. The Q-sort was completed in the presence of the research coordinator.



A period of open discussion followed the Q-sort process. During this open discussion, the topic, its context, individual Q-sort arrangements, personal insights and other opinions could be discussed, explored, explained and recorded.

### 3. DATA PROCESSING AND INTERPRETATION OF RESULTS

The data were finally processed and the results interpreted. The *PCQ for Windows* programme was used for Q-factoring. Each participant's Q-sort data were entered, a correlation matrix of the Q-sorts generated and the data analysed in "by-person factor analysis" (Ellingsen et al., 2010:400). Nine factors were initially derived, using centroid factor extraction and Varimax rotation. The nine factors accounted for 74% of the variance. The remaining variance represented perceptions that were not aligned with those of the dominant factors or were *confounded*, in that they were fractured among more than one of the factors.

**Table 2: Varimax rotation factors and their variance**

Factor 1:	29%
Factor 2:	7%
Factor 3:	16%
Factor 4:	3%
Factor 5:	10%
Factor 6:	2%
Factor 7:	2%
Factor 8:	3%
Factor 9:	2%
Variance accounted for in 9 factors	74%
Remaining variance	26%

The derived factors were then graphically rotated to adjust for negative loadings and close alignment, and six factors were derived. Upon closer scrutiny, it became evident that the first and sixth factors and the third and fourth factors were very closely aligned. A further graphical rotation was undertaken and four strong, logical and clearly defined factors were finally derived. Seventy-seven sorts (participant responses) were accounted for in these four factors, with the remaining sorts either being confounded (aligning with more than one factor) or insignificant (registering loadings less than the required 0.44 level of significance). Each factor was assessed, its characteristics identified and provided with an appropriately descriptive title. Each derived factor was visually represented in the form of a completed Q-sort (cf. Figure 3). The numbers within the body of the sort represent their corresponding statements in the Q-sample.

	-4	-3	-2	-1	0	1	2	3	4	
	8	13	16	2	5	1	6	4	34	
	29	15	20	14	9	3	12	7	35	
		21	27	19	10	11	17	30		
			28	26	18	22	33			
				31	23	24				
					25					
					32					

**Figure 3: The visual presentation of individual factors**

The factors were interpreted at face value both at the level of their constituent statements and in terms of their underlying constructs (*child labour, organised labour, CSR issues in labour, views on workers’ conditions and discrimination*). The factors’ underlying constructs were then measured to gauge the relative value ascribed to each construct both within each factor and across the study. Factors were given titles to reflect their core characteristics.

**3.1 Factor 1: Organised labour, worker rights and equality**

Factor 1 represents the single strongest perception of the labour-related elements of CSR identified in the study. Titled *organised labour, worker rights and equality*, the name reflects the dominant themes in the factor. Those holding this view are strongly in favour of labour organisation in the form of unions and they share the belief that unions are to the benefit of both workers and their companies. In a labour environment of perceived discrimination and inequality, worker rights and the rights of those who have yet to enter employment – including children – are primary concerns.

Among the strongest views are those relating to children, their development and their position in the labour market. Completion of the compulsory education curriculum is seen as a fundamental foundation for obtaining work of value as an adult, while the argument that children learn responsibility through employment is strongly rejected. Also central to this factor is the view that companies support the existence of unions despite or perhaps because of the perception that employer-employee relations are always in conflict. A third cluster of views relates to discrimination in the Peruvian labour market where discrimination is believed to exist within and between sectors of the population and should be eliminated where it

is identified. Certain demographic groups are perceived to be more privileged than others. Such perceptions are that people from the capital are given preference and that unionised workers are less likely to progress in their companies. Companies thus are expected to treat all employees and potential employees equally. They are however perceived generally not to do so.

At a lower level of salience, though still significant, is the noteworthy perception that CSR itself is ineffective, that it should not be encouraged by government, that it is unsupportive of the worker and that it has little to offer companies that practise it. This suggests that among those aligned to this factor, CSR is poorly regarded and is seen as a manipulative instrument of companies rather than as a framework for the benefit of labour or the worker-management relationship.

Table 3 indicates the factors' weighting on the underlying categories of assessment. The ranking is calculated by assigning a value of 5 to the underlying constructs that fall under -4 or 4; 3 to those falling under -3 or 3; 1 to those falling under -2 or 2; and, 0 for all others. In order of salience, *discrimination* and *organised labour* dominate, while *child labour* follows closely. Though *CSR issues in labour* registers at a markedly lower level, *views on workers' conditions* is revealed to be a barely significant concern. It should be noted that scores do not indicate the extent of positive perception but rather the extent of concern with the underlying categories, and this concern may be positive, negative, or both positive and negative.

**Table 3: Salience of the underlying categories of Factor 1**

Discrimination	14
Organised labour	14
Child labour	11
CSR issues in labour	6
Views on workers' conditions	1

The perceptions that constitute this factor are evident in every geographical region of the study, among workers and management, both male and female. It represents the views of 55 of the 120 participants and, as a set of beliefs on the labour issues of CSR, is very widely supported.

### **3.2 Factor 2: Worker solidarity**

Factor 2 reflects a narrowly positioned set of perceptions that are particularly interesting because they reflect a deep concern for conditions of labour, the working class and discrimination in the workplace. The perception reflected in *Worker solidarity* is only held by male workers. Participants holding this view believe most strongly that companies' exports are not affected by their involvement in CSR initiatives, that older workers do not lag in

adapting to new market rules, that worker safety should be a priority in companies, and that children are better off when employed and working than when idle and without work – although it is recognised that education is a better option and a guarantee of better working conditions in adulthood. Companies are seen to recognise the importance of unions and do not hinder the progress of unionised workers. They are moreover regarded to be better off dealing with unions that represent workers collectively. Related views are that workers are not a source of innovation in companies and that advancement in a company is linked to a willingness to work longer than the stipulated working hours. CSR is not held in high regard but rather considered as an excuse by companies to reduce the power of unions. CSR should rather be a voluntary endeavour undertaken by companies and not one in which government should either become involved or encourage.

Factor 2 differs from all other factors in that the adherents of this perception believe that the safety of workers should be a far greater priority in companies than it currently is. All other factors are neutral on this point. It is interesting that this perception is held only by workers. It suggests that a composite element of CSR – concern for worker safety – should receive far more attention than it does, but that safety endeavours should not be undertaken within the framework of CSR, which is seen as a set of processes that undermine the power of unions.

Table 4 reflects the weighting of Factor 2 on the underlying categories of assessment. This ranking incorporates both positive and negative perceptions of the constructs. In order of importance, *discrimination* is the underlying category that rates highest among participants. *Views on workers' conditions* and *CSR issues in labour* follow. *Child labour* and *organised labour* rank lowest in overall salience.

**Table 4: Salience of the underlying categories of Factor 2**

Discrimination	13
Views on workers' conditions	11
CSR issues in labour	10
Child labour	7
Organised labour	5

Compared with Factor 1, *Worker solidarity* is a dominant set of beliefs among far fewer participants. It is a view held only in Trujillo, Tacna, Piura, Chimbote and Cusco, and is entirely absent among managers and women.

### **3.3 Factor 3: Fatalistic worker orientation**

Factor 3 is named *fatalistic worker orientation* because, though its adherents align with the cause of labour, they are resigned to the view that the balance of power rests with employers,

not workers. The factor is dominated by an overarching concern for working conditions, with very little prominence being given to child and organised labour.

A number of views on working conditions dominate. Women of childbearing age should not be discriminated against in the salaries they receive; workers are an investment not a cost; and, companies should treat all equally, irrespective of origin or status. Despite these views, workers are not seen as a source of innovation in companies. A number of related perceptions are evident at lower levels of salience. Workers who do not bind themselves to a working day of only eight hours have better chances of advancement, and workers who do not meet their work quotas should not be required to make up the shortfall later. A number of views on CSR identified in Factor 2 are replicated in this factor. CSR is seen as pure persuasion and marketing; it should not be supported by government; and, a company's adherence to issues of CSR is irrelevant to its ability to export.

Factor 3 is tinged with a degree of fatalism. Companies can do little to alleviate the plight of working children who, because they work, have fewer opportunities for improved employment later in life. Company-initiated unions should not be encouraged. Older workers adapt to new conditions with difficulty and progress in companies is biased towards people from Lima.

Table 5 indicates the factor's weighting on the underlying categories of assessment. In order of salience, views on workers' conditions is, by a wide margin, the area of greatest concern. Organised labour and child labour are constructs of little concern, while discrimination and CSR issues in labour are significant underlying categories, but at a notably lower level than views on workers' conditions.

**Table 5: Salience of the underlying categories of Factor 3**

Views on workers' conditions	20
Discrimination	12
CSR in labour	10
Organised labour	2
Child labour	2

Fatalistic worker orientation is evident among participants in the regions of Lima, Trujillo, Arequipa, Iquitos and Tacna. It is noteworthy that the majority of those who load on this factor are workers and male. Exceptions are two of the twelve who are female managers – the only managers in the group.

### **3.4 Factor 4: Concern for children**

Factor 4 is notable for its extreme concern for child labour and the fact that it is only women who register on it. The factor is named Concern for children because many of its strongest

views relate to the employment of children. There is recognition of the phenomenon, of its deep-rooted causes and of the fact that it is difficult to eliminate.

Those subscribing to this view believe that companies can do little about child labour in that it predominates in the unregulated and informal areas of the economy. They further believe that children who work are at a distinct disadvantage in life, that the quality of their employment and their salaries will remain limited and that they, themselves, are more likely to have working children. Work itself is furthermore not seen to instil a sense of responsibility in children.

A number of other points characterise the view described by Factor 4:

- While holding that the worker-company relationship is one of conflict, perceptions of the relationship between companies and workers are not seen as negative.
- Surnames do not limit opportunities for advancement in companies.
- The existence of unions is good for companies, and companies recognise this fact.
- Participants aligned to this factor have a consistently negative perception of CSR.
- Companies that export can do so irrespective of their position on CSR.
- CSR is an excuse to reduce the power of unions and it should not be encouraged by government; it moreover does not value other stakeholders as highly as it does workers.

The order of salience of the underlying categories is indicated in Table 6. Child labour rates highest in this factor and obtains a score that is highest across all factors. Some way below is organised labour and CSR in labour, with views on workers' conditions and discrimination ranking at the very lowest levels.

**Table 6: Salience of the underlying categories of Factor 4**

Child labour	21
Organised labour	14
CSR issues in labour	8
Views on workers' conditions	2
Discrimination	1

The participants loading on this factor are from Lima, Ayacucho and Tacna. They are workers and managers, and all are women.

#### **4. DISCUSSION OF THE FINDINGS**

Each of the factors gives detailed insight into prevalent perceptions of the labour dimension of CSR in Peru. There is a broad-based set of beliefs that organised labour, worker rights and equality – together with the institutions that support these – should be strengthened. The first three

factors cluster around these concerns. The fourth, however, differs in its predominant emphasis on child labour. Though the fourth factor focuses significantly on issues regarding children in the economy, its supporting views generally align with those of the other factors.

In an overview of the overall salience of the underlying categories (Figure 4), *discrimination* is a major theme in three of the four factors, with *organised labour* and *views on workers' conditions* being major concerns in two of the factors, while *child labour* figures as a concern in one. Among the underlying categories that are least significant, *child labour*, *views on workers' conditions* and *organised labour* are evident in each of two factors. *CSR in labour* and *discrimination* are considered to be less significant in one factor each. By summing the underlying category scores in each factor it is possible to assess the relative salience of the major underlying categories in comparison with the minor underlying categories. It may therefore be assumed that from the perspective of those holding the views encompassed in each factor, participants who register on Factor 4 feel most strongly about their dominant concerns in relation to the others, with those registered on Factor 3, Factor 1 and Factor 2 having lower differentials between underlying categories, in that order.

	<b>FACTOR 1</b>	<b>FACTOR 2</b>	<b>FACTOR 3</b>	<b>FACTOR 4</b>
<b>Major underlying categories</b>	<b>Discrimination</b> 14	<b>Discrimination</b> 13	<b>Views on workers' conditions</b> 20	<b>Child labour</b> 21
	<b>Organised labour</b> 14	<b>Views on workers' conditions</b> 11	<b>Discrimination</b> 12	<b>Organised labour</b> 14
<b>Major/minor scores</b>	<b>28/7</b>	<b>24/12</b>	<b>32/4</b>	<b>35/3</b>
<b>Minor underlying categories</b>	<i>CSR in labour</i> 6	<i>Child labour</i> 7	<i>Organised labour</i> 2	<i>Views on workers' conditions</i> 2
	<i>Views on workers' conditions</i> 1	<i>Organised labour</i> 5	<i>Child labour</i> 2	<i>Discrimination</i> 1

**Figure 4: Overall salience of the underlying categories**

The single strongest point of consensus in the findings, across factors, is the uniformly negative perception of CSR on issues of labour. CSR is widely viewed as an instrument of corporate coercion intended to undermine the role of organised labour, and the perception is held by individuals in management positions and by workers. Most specifically, there is no support for the view that government should intervene in the establishment of a CSR policy in industry. The

uniformly negative view of the labour dimensions of CSR appears to support the views identified in earlier work, and may be the result of a haphazard and relatively undeveloped approach to CSR in Peru (Burton & Goldsby, 2009; Marquina et al., 2011), a view of CSR as part of the corporate armoury of persuasion or as a circumscribed form of corporate philanthropy, with little impact in actual conditions of labour (Angelopoulos et al., 2013; Garavito, 2008; Portocarrero et al., 2007; Schwalb et al., 2006). This suggests that while the fundamental concerns and avenues of resolution of CSR are shared by its proponents and by the spectrum of participants (both worker and manager) in this study, the CSR construct and how it is held up as an instrument of corporate communication are roundly rejected.

## **5. CONCLUSION**

This study identifies perceptions of CSR – particularly of the labour dimension of CSR – that are dominant among workers and managers from diverse regions in Peru. Particular labour concerns that CSR could address are identified but very significantly there is consensus throughout that CSR as a function of corporate communication is not the vehicle by means of which these should be addressed. As suggested in earlier research, the broadly supported rejection of CSR undoubtedly has a range of causes that could be explored in more detail in future research. However, a fundamental problem suggested by the research is that, apart from its causes, any endeavour undertaken by Peruvian companies in terms of the ISO 26000 international standard on business's social responsibility may be undermined if these are defined as CSR or indeed even as corporate communication. It has been proposed that the Peruvian government should support CSR activity in labour, and thereby alter the perception of CSR in the labour market. This study however suggests that the government has little to gain in the process. There appears to be consensus that improved labour conditions are desirable among labour and management, government, and a wide array of businesses in Peru. What is further evident is that solutions are not immediately forthcoming if these are proposed from a framework of CSR.

This essentially qualitative study was derived from the in-depth assessment of the views of a small cluster of individuals. It is suggestive of a set of perceptions that may be dominant in Peru, but it does not prove that these views are indeed those of the broad working population of the country. The findings of the study may be considered hypotheses and, as such, may offer fruitful ground for further research among a wider sample of the Peruvian population.

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