

Old Corporate Ways Fade as New Korean Generation Asserts Itself

U ntil a few years ago, there was an unwritten rule about working hours at South Korea's leading food and beverage company. "Everyone sat at their desks, fidgeting and waiting for their superiors to leave. Assistant managers waited for managers to leave. The managers waited for the bosses upstairs to leave," said Kim Jang-ok, 40, a customer service manager at Cheil Jedang Corp. So for Kim, Lee Wook-jae presents a cultural shock. Lee, a 27-year-old assistant marketing manager, doesn't wait for the bosses. He leaves when he pleases.

He also comes to work in khaki pants and an open-necked shirt, a cell telephone dangling from a cord around his neck. His black hair is dyed chestnut brown with yellow strains. "I want to be judged by what I do for the company, not by my hairstyle," Lee said. Thanks to young office workers such as Lee, a growing number of companies are abandoning South Korea's rigid corporate culture for a global one.

But staid old Korea, Inc. isn't dead. Most companies still prefer top-down management. Sons inherit businesses from fathers. Most employees address each other by their titles. Suits with ties are standard attire in most offices. The rise of Internet start-ups with their casual and egalitarian ways, the new generation of assertive youths entering the job market, and the disintegration of some of the country's top conglomerates have undermined old hierarchies. Lee, who majored in business management at Ohio State University, is among thousands of Koreans returning home every year armed with U.S. college diplomas and Western ways. "When I first dyed my hair some months ago, everyone in the office looked at me as if I did something wrong," said Lee. "After a while, they accepted it. Now they even comment on how well my latest color came out."

Women are making halting progress too in male-oriented corporate Korea. They still earn less and are promoted less, but "We no longer deliver coffee for male workers. That ended three or four years ago. We get more chances to demonstrate our abilities" said Kim Yoon-hee, 28, a colleague of Lee's at Cheil Jedang. "Still, many men look uncomfortable to talk business with women," she said. "When I sit down for contract negotiations, for example, some of the men across the table first give me a look that says, 'What is this woman doing here?'"

The old system was shaken to its roots during the Asian economic crisis of the late 1990s. People began questioning whether staffers trained to think alike were flexible enough to react to sharp global market changes. "It was not uncommon for the one-man boss to shout at a lower-ranking official briefing him, 'Who's this fool? Get out!'" said Choi Hae-pyong, describing his management experience at an electronic components arm of South Korea's largest conglomerate, Samsung. At 39, Choi is beyond dying his hair but is still adventurous enough to have quit Samsung last year with two colleagues to start their own business, making components for flat-panel computer screens. At Samsung, he said, "They put brutal pressure on employees to force good results. But under such a system, you try to keep the status quo and not make any mistakes. You don't try to be creative. Now I no



longer have the safety of working in big business. But at least now I work for myself. I feel good,” Choi said.

These days, more companies are urging their employees to get lean and creative. Big corporations such as Cheil Jedang, LG Electronics, and SK encourage workers to shed sober suits and stiff ties. They have also abolished many executive posts to speed up decision making. At Cheil Jedang, gone are big desks and long titles for managers. Individual merit determines wage increases and promotion. Workers who used to say “Mr. Manager Kim” now say “Mr. Kim.” Employees in casual attire sit with legs crossed and talk business—in stark contrast to other big business offices where employees still work in suits and ties, and young staffers bow to the boss or stand at attention. “In the past, everybody dressed and looked more or less the same. Everybody got promoted at the same time and had the same salary increases,” said Kim, the customer service manager. “In the old days, you got to the senior managers only when you were summoned,” he said. “Now, we see young employees going directly to senior managers with opinions. For example, they come to me to ask for more responsible jobs, rather than the dull work of typing data into the computer.”

Until recently, working for the nation’s top conglomerates conferred status. Now, more college graduates prefer Internet start-ups and foreign businesses. “Loyalty to the company used to be a big motto, and your life centered on what you did at the company,” said Ha Il-won, a midlevel manager at a construction arm of the SK conglomerate. “But the Asian financial crisis shattered our illusion about lifetime employment at one company. We became more individualistic.” Previously, companies hired students with good school grades and required them to pass a written test. Today, many recruiters are just as likely to choose independent people who have traveled or worked abroad. “Interviewers were more interested in listening to what I had to say than asking standard questions. They asked me what I thought of antiglobalization activists,” said Park Ji-sook, 24, a French major who was hired by LG Electronics while protests were going on against the World Trade Organization meeting in Seattle in late 1999. Park said she spoke well of the activists’ success in attracting media attention to their demands through the well-publicized protests.

The company made her an editor of its Internet Web site.

CASE DISCUSSION QUESTIONS

1. What institutional factors are driving changes in Korean business culture?
2. How can organizations in a culture that values respect for age differences manage the changes that occur when organizational necessities require younger managers to supervise older managers?
3. How will Korean companies manage more individualistic employees without losing the competitive advantage of a loyal workforce?

REFERENCE

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