The Impact of Culture on the Management Values and Beliefs of Korean Firms

by
Young Hack Song
Tong Yang Group, South Korea
and
Christopher B. Meek
Brigham Young University, U.S.A.

Korea has become the object of growing international interest among scholars and practitioners because of its remarkable economic achievement in the past three decades. However, the relationship between corporate management practice and Korean cultural values has received only limited attention. This paper claims that studying espoused values and beliefs of firms should be the first step to understanding the impact of national culture on management practices. The paper first outlines several important aspects of Korean culture and them examines their impact on management values and beliefs. Next, it analyzes the contents of the management values and beliefs by examining two organizational symbols--company motto and company song. Finally, the paper discusses how management values and beliefs impact on human resource management policies and practices. The paper concludes that the Korean core cultural values of harmony, unity, and vertical social relations strongly influence Korean firms, and that these management values and beliefs play a profound role in shaping human resource practices.

INTRODUCTION

Along with Japan and other Asian NIEs, the Republic of Korea has become the object of growing international interest among scholars and practitioners because of its remarkable economic achievement in the past three decades. However, the relationship between corporate management practice and its linkage to Korean cultural values has received only limited attention thus far (Chung and Lee, 1989; Lee, 1988; Lee et al., 1991; Shin, 1985; Steers et al., 1989). We suggest that the impact of national culture on management practices may be understood by studying espoused values and beliefs of firms. Such a study may also help us understand the larger theoretical debate on the extent to which national culture influences organizations.

Symbols of a firm contain the values and beliefs of that organization. Organizational symbols such as company mottos and company songs identify the ideals the firm is striving for, and may function to evoke sentiments and emotions and trigger collective actions (Cohen, 1974; Gross, 1985; Trice & Beyer, 1993). In particular, management values and beliefs set the direction of organizational actions and serve as a motivating force when they are shared (Alvesson, 1991; Bar-Tal, 1990; Dandridge, 1983; Davidson, 1980; England, 1967; Gross, 1985; Rokeach, 1973; Sproull, 1981). As understanding an individual's behavior requires knowledge of his or her personal values and beliefs, so understanding an organization's behavior requires knowledge of that organization's

management values and beliefs (Bar-Tal, 1990). Company mottos and songs do not necessarily reflect the values and beliefs of firms. However, understanding espoused management values and beliefs should be the first step to understanding values and beliefs shared by members of the firm.

In this article, we first outline cultural values of Korea and then examine their impact on espoused management values and beliefs. To understand the management values and beliefs of Korean firms, we examine two organizational symbols--company mottos and company songs. We then discuss two overlooked aspects of management values and beliefs on human resource management.

ELEMENTS OF KOREAN NATIONAL CULTURE

The Korean world view and social relations have been influenced by both the indigenous shamanistic religion and the ancient religious and philosophical traditions of China. Chinese thought came to Korea as a result of various Chinese invasions over the centuries as well as through the efforts of Korean scholars and kings who sought to institute it as a state dogma. Thus shamanism, Buddhism, Confucianism, and Taoism have all played key roles in forming the Korean culture and pattern of social relations. Virtually all values and rules of social interaction can be traced to the teachings of one or more of these traditions.

Studies that examine culture typically attempt to model specific cultures or compare two or more in terms of sets of values and assumptions related to predetermined categories of phenomena (e.g., Hall, 1959, 1977; Hofstede, 1980; Kluckhohn and Strodtbeck, 1961; Osgood, 1964; Parsons and Shils, 1951; Schein, 1985; Triandis, 1982). In clarifying the relationship between Korean national culture and management values and beliefs we have found the key categorical dimensions of culture adopted by Schein (1985) particularly useful, and these are outlined below.

HUMAN NATURE
Confucian, and particularly Neo-Confucian, philosophers have had the most significant role in shaping the Korean view of human nature through the centuries. Mencius, a famous Confucian scholar of the late 4th century B.C., for example, held that human nature is essentially good because human beings, by nature, hold within themselves all the resources necessary for living a good life. Mencius also suggested that incipient moral impulses grow spontaneously, and are further nourished by good education. (Graham, 1986).

On the other hand, the Confucian scholar Hsun-tzu focused his philosophical inquiries upon the instinctive desires and impulses of human beings. From his observations Hsun-tzu concluded that human beings, without the discipline of the rules and structure provided by culture, become crude and uncouth, literally dangerous to society, when they respond only to their own innate desires and impulses. Hsun-tzu therefore concluded that human nature is essentially evil. Later Chu Hsi, a famous 12th century Neo-Confucian scholar and the philosopher who had the most influence upon Korean thought during its

last dynasty (the Yi dynasty, 1392 to 1910), concluded that "individuals have natures which are mixtures of all degrees of good and bad" (Graham 1986, p. 434). He contended that "basic human nature was identical with the supreme principle of the universe, and that it was therefore of the nature of pure goodness, while secondary human nature, created by the association of principle with material stuff was impure and the source of evil" (Koller 1985, p. 317). Although there is no consensus on the essence of human nature, most Confucian scholars held that human nature is highly susceptible to the environment in which a person is raised. They asserted that all human beings can become virtuous through education and self-discipline.

NATURE OF HUMAN RELATIONSHIPS

Collectivism

Within a typical Korean community, the concept of "neighbour" was restricted to the nearest village. This caused them to develop a closed community and strong feelings towards it. Confucianism views each individual as a member of a group, not as an independent autonomous being. Thus, communitarian agarian society under the Confucian influence helped to develop a cooperative spirit and social organizations such as *doore* (farmer's cooperative group), *kye* (mutual assistance society), and *hyangyak* (the village code) (Kim, 1992). In a collective society, progress is achieved through the unified efforts of the group. The talented and aggressive individual who cannot subordinate personal interests to the collective cause is not well accepted because he or she breaks the harmony of the group. Such a person is considered an outcast or misfit. Individual actions are evaluated by their contribution to the interests of the group and to group harmony. Group-oriented perception is well illustrated in daily conversations. When an individual uses the pronoun "I" repeatedly instead of "we" in expressing an opinion or recounting a personal experience, he or she is considered strange and egoistic. In referring to his or her school, company, or country, a Korean will almost always say, "our school," "our company," or "our country." When a married man refers to his wife, he will even use "our wife" to say "my wife." The Korean concept of self, whether the "I" or "we" is formed through such social units as the extended family, the hometown, schools, or place of employment.

Vertical Relations

Confucianism does not view human beings as independent beings of equal ability and talent. All human relationships are seen as vertical. Anciently, a hierarchy of duties and relationships was specified for everyone from the king's ministers down to the lowest individual. The observance of proper roles and relationships is still considered the defining point of a moral society. The fundamental elements of this social structure, known as the Five Relations, were first recognized and articulated by *Mencius*

...between father and son, there should be affection; between sovereign and minister, righteousness; between husband and wife, attention to their separate functions; between old and young, a proper order; and between friends fidelity (Legge 1970, p. 251-252). Social stability and harmony, said Mencius, depends on the observance of these relationships. As these relationships and attitudes are hierarchical or vertical, so also are society and formal organizations structured vertically. The most fundamental of the Five

Relations, filial piety towards one's parents, is projected onto society and all its constituent institutions, which becomes a "family writ large." The father-to-son relationship extends to village elders, government administrators, teachers and older students at school, who become identified as parents, uncles and aunts, or elder brothers and sisters. Thus, society and its organizations call for morality and benevolence on the part of superiors, and obedience and loyalty on the part of inferiors. Modern day Koreans are therefore more comfortable in social interactions when they can identify the appropriate ranking for members of the group within the prescribed rules for defining senior and social status.

Even the grammar of everyday discourse demands proper recognition of the vertical nature of social relations. In the Korean language, the social status of the person with whom one is conversing must be recognized by proper use of a variety of verb suffixes, special honorific verbs and honorific verb inflections. There is even a selection of nouns and pronouns implying different levels of social status as determined by hierarchical rank, class, age, and gender. For example, 13 different pronouns for the word "you" are available, depending on one's status relative to another (Yoon 1970, p. 100; Choi 1976). Thus, three main forms of speech (e.g., high, middle and low forms) are used on a regular basis, plus six grammatical forms, each communicating a different degree of politeness.

Harmony and Balance
Koreans believe that societal stability is essential for survival and progress. Ideally stability should be maintained through harmonious social relations and not external force. If there is a single condition which virtually all Koreans value, it is harmony in social relations. A well known popular proverb says, "Only if a family works together in harmony can it succeed." The emphasis on maintaining "harmony" contrasts with individual-oriented Western society, which emphasizes competition. Harmony is not sameness, although it does require universal adherence to agreed-upon rules of social etiquette and moral behavior. Uniqueness and differences in ability, talent, and perspective are accepted as natural, but they must be balanced against group needs to avoid strife. A superior is not greater than the subordinate, but hale a "whole social unit" that requires cooperation from each and reciprocity between the two (Ames 1983). Both sides suffer if one grows to overwhelm and dominate the other. For Koreans, therefore, it is a challenge to achieve interdependence through the actualization of integrative emotions held in common among group members because idiosyncratic emotions are not expressible (Hall and Ames 1987).

Feeling and Emotion over Reason
The glue which binds vertical relations together in Korean society is "human feeling" (*injung* in Korean, *ninjo* in Japanese, and *jen* in Chinese). Korea's shamanist heritage promotes a non-rational and emotional view of the world. Along with trust, warm feelings of unity and empathy between group members (whether it is a relationship of two or a large department or division) are believed necessary to maintain good human relationships and to build satisfactory social interactions (Hahm, 1986).

Injung refers to feeling that occur spontaneously, not from formal obligationm between peope, especially in vertical relations (Doi 1981; Lee 1983). *Injung* is stronger among members of an "ingroup" such as family, relatives, alumni, and people from the same hometown or company than the members of the "outgroup." "Injung" originally denoting feelings between parent and child and between siblings (see Doi, 1967 and 1981), expands beyond the family to encompass social relations between friends and associates in formal organizations, the community and society at large, creating a sense of unity and intimacy. Thus, *injung* occurs primarily in relations based upon mutual dependence (referred to as *oongsok* or *origwang* in Korean, *amae* in Japanese). *Injung* therefore plays a critical role in maintaining smooth human relations in vertically-structured Korean society.

People who can bring such feelings into an organization tend to be valued higher than people who can adroitly and logically solve problems but cannot gain the loyalty and friendship of superiors, peers, and subordinates. People with *injung* are sensitive to others' feelings and quick to extend socio-emotional and even material support to sufferers. Superiors are especially obligated to track their subordinates' hidden feelings of discontent. Impersonality is not welcomed by Koreans. When people fail to demonstrate *injung* appropriately, their humanity and trustworthiness come under suspicion. A group member perceived as without *injung* may be isolated from the group.

High Context and Interaction
Korean culture is a good example of the "high-context culture" in which non-verbal, spatial, and physical cues, as opposed to overt and precise communication, play a critical role in communication (Hall, 1977). Indirect communication tends to be preferred over overt oral or written statements of the fact of position. People are expected to be sensitive in observing facial and body expressions as well as physical positioning of individuals in a group or work setting. Disagreement should be carefully and cautiously expressed so as not to damage the "face" of others and hurt their feelings, especially in public settings. "Facial reading" (*nunch'ibogi*), observing facial expression to discover unspoken feelings (*kibun*), is necessary for maintaining harmonious interpersonal relationships and solving problems effectively (Kim 1975).

Preference for the Concrete over the Universal
The Korean preference for feelings over rationality is combined with an equally strong preference for a concrete and particularistic set of moral principles over universalistic principles. In a high context culture like Korea, human relations are defined in terms of concrete and specific social relationships. Confucianism is not concerned with a relationship to a supra-mundane God. There is no ultimate authority such as the Christian concept of God, so the individual has no grounds for violating interpersonal ties and responsibilities in pursuit of a sacred cause or in adherence to a body of universally applicable rules and principles (Mote 1989; Redding 1990). For Koreans, moral behavior refers to concretely defined codes of behavior and prescriptions for attitudes in relation first to persons in direct blood-family relationships, then to those in direct primary group relations, with decreasing responsibility as the group becomes more diffuse and abstract.

THE NATURE OF REALITY AND TRUTH

As the father-son paternalistic relationship is expanded to other institutions (e.g., schools, military, government, and business organizations), teachers, leaders and superiors in general take on parent-like authority and responsibility (LeVine and White 1986). Juniors or subordinates have been taught not to raise questions to seniors or superiors, especially in the public settings, lest seniors or superiors lose face in front of others. In the social structure of traditional Korea, family members were required to be obedient to their patriarch; and the masses were required to follow noble people to achieve stable relations between them. This resulted in strengthening authoritarianism and patriarchalism. In paternalistic relationships people tend to accept ideas or views, especially on social reality from highly ranked people or seniors without much criticism because they truly believe in most instances that their superiors or seniors possess greater knowledge and wisdom than they do themselves (Kleinig 1984).

THE MANAGEMENT VALUES AND BELIEFS

To illustrate the impact of cultural values on the management values and beliefs of Korean firms, this section first examines two formally formulated organization symbols, company mottos and company songs, which serve as a symbolic representation of the firm (Dandridge, 1983; Gross, 1985). This section also examines two overlooked aspects of Korean management literature--the cultural origin of the use of company mottos and how management values and beliefs are instilled. Finally, managerial recruitment, selection and management compensation practices are discussed to show the impact of management values and beliefs on actual management practices in Korean firms. For a better understanding of the concept of company mottos (*sahoon*), it is appropriate to discuss first its background.

THE BACKGROUND OF THE COMPANY MOTTO (*SAHOON*)

Just as the majority of Korean firms have a *sahoon*, so do many Korean families have a *kahoon* (e.g., ka-hwa-man-sa-song). The term *kahoon* refers to teachings for family members and their descendants with respect to proper mental attitudes, appropriate conduct, correct governance of homes, and how bad and good things can be distinguished to ensure appropriate conduct in living with others in the world. It is also aimed at maintaining good *kap'oong* (family tradition in Korean) through generation to generation. In other words, *kahoon* is a traditional family precept to establish a healthy, harmonious and happy home (Kim, 1981, p. 8). *Kahoon* has many different forms. Sometimes it is composed of one letter, one word, a phrase or several phrases, or a book or several books. Although it was first started in the early Three Kingdoms period (1st Century - 668 A.D.), it became popular among the *yangban* class, the upper class which consisted of civil and military leaders in the Chosun kingdom (Kim, 1981).

As the family has a *kahoon* and emphasizes *kap'oong*, so the Korean company has a *sahoon* and *sap-oong* (literally means company tradition) which is similar to the concept of organizational culture. A managing director of a textile firm indicated that the founder's or the president's *kap'oong* plays a very important role in shaping the corporation culture, especially in family-owned Korean firms. For marriage, even in

Korean society today, family backround is a critical factor in selecting one's spouse because it is related to *kap'oong*. Many people still believe that *kap'oong* plays a profound role in shaping the character of the individual. Since most Korean corporations are family-owned, it can be assumes that there are relations between "kap'oong" and corporate culture. In order to understand how national culture is reflected in the Korean firm, it is therefore helpful to study the management values and beliefs espoused in the company mottos or slogans (Deal and Kennedy, 1982; Ouchi, 1981; Pascal and Athos, 1981; Schein, 1985). Of course, company mottos may not always accurately reflect company culture in actual daily practices. This is because *sahoons* can only indicate the ideal beliefs desired by the founder of management (Bar-Tal, 1990).

THE COMPANY MOTTO (*SAHOON*)

As the partiarch provides a *kahoon* to teach his family members and his descendants, so the company founder makes a *sahoon* to guide the company and its people. The term *sahoon* literally means "concept preceot" and in western firms it could be called a company motto, slogan, or management ideology. The *sahoon* is similar to the core values, beliefs or commitments of American companies such as Watson's tenets of IBM and Marriott's "15 guideposts" (Collins and Porras, 1991; O'Brien, 1997; Rodgers, 1986). The company sahoon needs to be examined to understand that congruence between the published company motto and the living corporate culture and climate of social relations within the firm may often be limited).

The *sahoon* generally reflects the personal values, beliefs and commitments of the founder or top management. It functions as a general guideline or "guiding spirit" for the company and its people. It is also an important instrument in the process of character building and attitude formation during socialization of new employees in training programs, and throughout one's career within the organization (Dore, 1973). Unlike American companies, which tend to focus on practical and technical aspects of the job (e.g., orientation on employee benefits, company policies and rules, disciplinary regulations, and job duties), company training for new college graduates in Korean firms focuses on instilling management values and beliefs to transform them into a "man" (e.g., Samsung man or Hyundai man). The following three leading chabols--Samsung, Ssangyongm and Sunkyond--well illustrate this.

In the case of the Samsung group, great emphasis is placed on instilling its management values and beliefs to prepare the individual a long-term career with its firms (see Table 1). Like the Samsung Group, the Ssangyong Group, which is a leading chaebol, also put the highest emphasis on inculcating its management values and beliefs and the sense of belongingness to the organization (see *Ssangyong Central Training Center*, 1989, p. 71). Similarly, another leading chaebol, the Sunkyong Group, also put high emphasis on teaching its management values and beliefs. The Sunkyong believes that the success or failure of a company is determined by how the firm manages its human resources. Thus, the Chairman's Office in Management & Planning developed the 79 page-long "Sunkyong Management System" which has been revised six times (as of 1989) and published as a company document for its people. The Sunkyong tries to instill its

management values and beliefs, called "SK-Manship," in new employees. Ideally, employees are influenced by a deeper understanding of the *sahoon* to the point where, eventually, their attitudes, values, and general personality characteristics fit the firm so well that they are actually seen as a "Sunkyong man;" or, in the case of Samsung, as a "Samsung man." Thus, the *sahoon* and the training program function to increase the identification of the new employees with their organizations (Bar-Tal, 1990).

Table 1
Analysis of Group-Wide Training Programs of the Samsung Group

Content	Hour	Ratio (%)
1. Establishing right views of the country and the occupation	16.0	5.8
2. Instilling the Groups's management philosophy and Samsung's group spirit	55.5	20.0
3. Cultivating an energetic and aggressive Samsung man	55.5	19.8
4. Cultivating power to adjust to organization	17.0	6.1
5. Training basic functional tasks to perform well	49.5	17.8
6. Studying affiliated companies	34.4	12.4
7. Motivating for self-development	28.0	10.1
8. Others	22.5	8.1
Total	278.0	100.0

(Source: Company Regulations, *Training Guideline for New College Graduates Employees*, 03-4-020, p. 16-1)

The *sahoon* generally consists of several words or short phrases which are emotionally charged to inspire employees to their best effort, and to instill within them a sense of company pride (Lee, 1989). The *sahoon* also tells the public the values and beliefs to which with beautifully crafted calligraphy, is hung on the walls of every office, plant, conference room and training center. It also appears on company brochures, operating manuals, training texts, diaries, and magazines. Thus, the *sahoon* is an official statement which expresses an organization's most important espoused values and beliefs or, at least, the values and beliefs it would like to be known for throughout the nation (Lee, 1989).

The values most strongly and frequently stressed in company mottos are: harmony and unity, sincerity and diligence and creativity and development (Lee 1989; Song, 1990). It is important to point out that of the values most frequently stressed "sincerity," is also integrally related to the most emphasized value "harmony and unity." In order to maintain good human relationships and build satisfactory social interactions, obtaining "trust" (*shin* in Korean and *hsin* in Chinese) is essential. Both the "shin" and "song" of the word "songshil" which corresponds to sincerity are from Sino characters. The character translated "sincerity or integrity," *song* (*ch'eng* in Chinese), is etymologically constitued by "to speak" (*on* in Korean and *yen* in Chinese) and "to complete, to realize" (*song* in

Korean and *ch'eng* in Chinese). The character "sincerity or integrity" means "to realize that which is spoken" or "being true to one's nature." Thus, it would refer to an "accurate, self-fulling forecast" (Hall and Ames 1987, p. 58; KCCI 1984, p. 76). In Confucian teachings "song" or "ch'eng" is a basic foundation for becoming a sage. As such, it is a critical element for maintaining good relationships with others inside and outside of a group.

Through the *sahoon* the management values and beliefs are articulated, which corresponds to the Korean core values of harmony and unity, collectivity and vertical social relations.

THE COMPANY SONG (SAGA)

In general large Korean corporations also tend to have their own company songs (see Appendix). However, many small and medium size firms do not have their own song. Like the company motto, the company song appears on company brochures, training texts and diaries. The *saga* is sung in the morning before they start to work, in the monthly morning conferences, in social gatherings, or in the company anniversary meetings as a whole body to bring unity and harmony to the company (see Dore 1973, p. 52 and Sasaki 1981, p. 62 for examples of Japanese company songs). As the company slogan is provided as a general guideline for the company and its employees, so also does the company song function as the guiding spirit for employees to strengthen the identity of each member with the company (see Trice and Beyer, 1993, p. 91-94). Similar to the *sahoon*, through the *saga* espoused values and beliefs are also reflected which are consistent with the Korean core values of collectivity, unity and harmony (e.g., "firmly united with one heart and one mind in Company A's *saga* and "we are colleagues united with love" in Lucky-Gold Star's).

THE IMPACT OF MANAGEMENT VALUES AND BELIEFS ON HUMAN RESOURCE MANAGEMENT

Meek and Song (1993) and Song (1990) indicate that the traditional cultural values are embedded in human resource practices and organizational structure. This section briefly discusses the effects of management values and beliefs on human resource management in Korean firms.

Recruitment and Selection
Applicants from the top universities in Seoul have a considerable advantage in securing employment. A government study (College graduates' rate 1990), for example, found that 62 per cent of all new management employees hired by Korea's 50 largest companies were graduates of a college located in Seoul. As such, being a graduate of a top ranked university is a distinct advantage in gaining acceptance to the initial pool of applicants. However, it by no means guarantees that a job offer will in fact be made. For ensuring job offers, new management employees need to demonstrate that they are able to work effectively with superiors and peers as harmonious and sincere team members, as well as being capable of performing any technical assignment. The later aspect is evaluated

based upon school ranking, their grade point average, and the written entrance examination if it is required by firms. Unlike American firms (which put the highest emphasis on past work experience in recruiting managerial people) (see Long 1988), these former concerns (see Sasaki, 1981, p. 32 for ket hiring dimensions of Japanese firms) derive from traditional Korean Confucian values and ethics, and their importance and universality are clearly reflected in the company recruiters' comments:

Company A's Personnel Manager
Knowledge and technical skills are less important than a person's character or personality. We are more concerned with team work and harmonious relationships. A person who has good technical skills and knowledge can destroy team spirit when he fails to maintain good relationships with others.

Company A's President
We would like to recruit people who have a "good human nature." Of course, we need to consider their school work too. However, recruits will have no problem in performing their jobs if their academic standing is in the middle of the class and they have a good personality.

Company D's Personnel Manager
We do not want to have a super star in our organization because, even though they may have more ability in their specialty they also may present a greater possibility of breaking up unity... It is possible to train people in a new job function if they have basic intelligence, but a person's personality characteristics are very hard to change.

Company E's Personnel Staff Member
Rather than recruit an exceptional person we would rather find a person who will have a harmonious organizational life.

Company F's Labor Department Manager
We want a person who can work faithfully and who will not destroy the unity and harmony of the organization. As our firm (and group) is interested in overseas markets, we also want a person who has an international outlook and speaks a foreign language.

Company G's Personnel Manager
Based upon the management philosophy of "The corporation is human beings," we put people first. Our goal is to recruit people who can face challenges aggressively, who have a strong sense of responsibility, and who can work harmoniously with other members of the organization.

The management values and beliefs are also well illustrated in the age limitation of applicants and the interview in the selection processes. Korean companies limit the age groups from which they hire new management employees on order to preserve internal harmony. This is because the primary determinate of promotion and pay increase is seniority following the Confucian requirement of "...between old and young, a proper order." Most of Korean managers do not feel comfortable with having older subordinates.

Thus, older applicants are considered to have considerably greater potential for disrupting harmony. A one year difference in age from the average of the applicant cohort is not usually penalized; for it is common for students to take an additional year to prepare for college entrance examinations after high school. However, a candidate who is several years older than the prescribed age guideline is given a considerably lower score in the initial document evaluation stage. When the company hires (male) candidates who are exempted from military service and two or three years younger, in general they start their career with lower job grades. In other words, for them it will take longer to be promoted compared to their cohort so that potential for disruption can be avoided.

Whether selection interviews are reliable or not, they are considered to be the most critical factor in evaluating prospective new employees. This is because recruiters believe that the interview provides a window through which they can directly examine candidates' moral nature and character, their personality and interpersonal style, and their ability to adapt to difficult and ambiguous circumstances. Companies do differ on interviewing strategies and formats which they use; some firms conduct only a single interview; some other firms use a two interview approach; and others use a combination of group interviews and discussions to assess candidates. For the companies which adopt a two interview method, the first interview is focused on assess applicants' knowledge in their college major and their English (sometimes other foreign languages dependent upon the company's needs) proficiency. At the second interview, the focus shifts to evaluating candidates' personal appearance, family backround, character or moral nature, bearing attitude, language, general knowledge, common sense and social or community activities they have been involved in during their college life. During this interview recruits are often asked about their fathers' occupation and their own family backround. Applicants from broken homes are often passed over because they are considered to be more likely to cause problems and disrupt organizational harmony and unity. Individuals who display negative, arrogant, or hostile attitudes are avoided and dropped from the list. For those firms which use a single interview or a combined approach, these questions are asked to applicants in one session. When the company adopts a combination of group interviews and discussions, candidates are organized into groups of people (e.g., six to eight people) and assigned topics to discuss among themselves in front of the evaluation team. In this setting, the candidates are evaluated on how well they express themselves and the logic and thought behind their opinions. The evaluation committee also observes carefully how well each applicant listens to the opinions of the other candidates and adapts to other viewpoints. Candidates who hold to their own opinions stubbornly and make few compromises receive a negative evaluation.

Almost any firm would be interested in whether candidates have the skills necessary to perform their jobs. Korean firms, however, are distinguished by their interest in several additional characteristics in their recruits. As is illustrated by their *sahoons*, the potential recruit's character, social skills, and the ability to be a good team player who will maintain organizational harmony, are considered critical in the recruiting and selection process.

Management Compensation

The typical system of Korean firms is composed of base pay and allowances such as seniority and family supplements. In general, the starting base pay is decided based on gender, age, and educational level. The added pay grade is mainly based on duration of service (seniority) in the organization. Age (seniority) and educational level are the two most important wage determinants after gender. Individual performance has an extremely small impact on differentials in management compensation. Indeed, Korean firms, even more so than Japanese firms, correlate increases in pay with seniority on nearly a one-to-one basis. Although the company regulations of most firms state that performance appraisal results should be used in compensation decisions, in reality they have little impact on pay grade increases. Because of Confucian influence which place men before women, gender has the strongest impact on initial base compensation. Within each gender, educational level determines an individual's base starting salary, and seniority within the organization serves as the most important factor in determining increase thereafter.

CONCLUSIONS

We have attempted to describe several elements of Korean culture and to show that traditional values appear to play a significant role in shaping the espoused values and beliefs of the Korean firm. The emphasis of these firms on harmony, collectivism, and social relations create an atmosphere that runs almost directly counter to Western principles of organizational life.

As we indicated previously, formally formulated company mottos and songs do not always accurately reflect actual management practices. However, large Korean firms put high emphasis on instilling their management values and beliefs in new employees to prepare them for long-term careers with their firms. The degree of commitment of a company to its stated values and beliefs is a good indicator of the relationship between management values and actual practices. The managerial recruitment, selection and management compensation practices we discussed illustrate the impact of traditional cultural values on management. There is continuing debate whether organizations are culture-free or culture-bound (e.g., Birnbaum and Wong 1985; Clegg et al. 1986; Hickson et al. 1979; Hofstede 1980; Lincoln et al. 1986; Marsh and Mannari 1980). This paper suggests that cultural values have helped to shape human resource management. Indeed, when we understand Eastern Asian business systems, superficial understanding of strategy and structure is not enough. Because behind the formal structure of East Asian companies, it is believed that informal and subtle management processes which are strongly influenced by its cultural values and belief systems play an important role. Thus, we believe that recruitment, selection and management compensation practices that we have described are unlikely to change dramatically in the near future. Indeed, instead of "converging" closely to conform to Western management practices, Korean management practices are likely to become even more clearly Confucian in nature (Meek and Song, 1994).

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APPENDIX

Company A's Company Song

Making white and clean threads,
Pledged to self-sufficiency of the race.
That tradition and that torch are brilliant even today
Worthwhile achievement, our Company A.

(Chorus)
In the sky of the fatherland eternally
Will shine, *taegooksong*, bright star.

Firmly united with one heart and one mind
Improving new skills and wisdom
In each fabric the beautiful rainbow of the new times
We will weave it with all our heart, our Company A.

Skill with sincere effort into each strand
Stretched out across the ocean like a ray of light.
Every place it goes, it will make beautiful embroidery
And will make its name known, our Company A.

The Lucky-Gold Star Song

We are the young workers of this country,
File and rank moving forward for prosperity filled with worthy efforts.
We are colleagues united with love,
Building a culture of paradise with our own hands.
Pride of the country, Lucky-Gold Star.

We are industry soldiers leading the times.
With our new and continuous creativity and study
And where we accomplish our holy mission
There is happiness for our race and mankind.
Pride of the country, Lucky-Gold Star
Stretching toward the world, Lucky-Gold Star.