Maintaining the Harmonious Family
– Social sustainability or business optimization in a Korean corporation

Charlotte Jonasson, etnocj@hum.au.dk, Amanuensis, Aarhus University, Department of Anthropology, Moesgaard, DK-8270 Højbjerg.

Jakob Lauring, Jala@asb.dk, Assistant Professor, Aarhus School of Business, Department of Management and International Business, Haslegaardsvej 10, DK-8210 Aarhus V.

NFF 2006, Winter Conference, Umeå

Abstract:
Harmony and social sustainability has been described as almost inborn aspects of Korean corporations dating far back in history. After the East Asian economic crisis in 1997, however, most Korean organizations faced new demands for productivity and competitiveness. Sustaining the fragile balance between social harmony and individual competitions has, in some Korean corporations, led to social negotiation and struggles to define the aim and character of the collective effort. By describing the subsequent social dynamics of a Korean Bank corporation the purpose of this paper is to show how the perception of group harmony as a stable entity in East Asian organizations is too static for analyzing the social organization. Rather, the dynamics of the continuous production and reproduction has to be taken into account understanding social interaction and social sustainability of Korean organizations.

Introduction
During the 1980’s a number of Eastern Asian countries had superseded USA in economic growth, leading to Western scholar investigating cultural and organizational issues for a possible explanation to the problem (Pascale & Athos 1981; Peters & Waterman 1984). An interest developed of how and why these countries seemed more efficient creating
better financial results (Vogel 1979; Ouchi 1982). A recognized explanation of the Asian success was found in the particular cultural traits and the particular social organization of members in a work group (Hofstede 1991; Hofstede & Bond 1993).

In South Korea the annual economic growth rose to 11 percent in the beginning of the 1980’s, which was up to then the highest ever in the world. This economic success is by social scientist ascribed to a number of different reasons. Among others America’s support rebuilding Korea after the civil war (1950-1954), the opportunity to follow the neighboring country, Japan’s success, and a special relationship between corporations and the state, where the great conglomerates, the so called ‘Chaebols’ where specifically favored by the national bank, and where politics and economics where less divided compared to most western countries (Rhee & Chang 2002; Rowler, Sohn et al. 2002).

Scholars, however, not only linked the economic success of Korea to analysis of macro-economics and societal structures but also to the productive potential of the companies themselves (Mead & Jones 2002). In this regard there was an outspoken agreement, especially among functionalist researchers on culture, that part of the explanation should be related to human and social factors shaping organizational life. As Hofstede and Bond (1993: 106) write:”For the real explanation [of South Korea’s economic success], we must turn to the domain of culture”. Hence, it was argued that the national cultural traits and the social organization of Korean workers aids the fertile conditions on which financial success is achieved (Chang 1999; Kim 1999). Of this one can conclude that an almost ‘natural’ positive connection exists between organizational coherence, social sustainability, group solidarity and financial achievements.

This statement of a linear relation between culture and economic results must be seen also as an academic response made in the context of the great success of Japanese and Korean companies during the 1980’s (Rhee & Chang 2002; Rowler, Sohn & Bae 2002; Tsukaguchi-le Grand 1991). But as such, after the late 1990’s Asian economic crisis a shift in management ideologies developed and the idea of Asian corporate culture and internal corporate social sustainability was challenged. The organizational structures of
the great *Chaebol* companies and close family like relations between corporations, banks and in many cases also the government was criticized by influential institutions such as the International Monetary Foundation (Lee 1998; Lee 2003). Meanwhile the before highly praised Asian corporate culture was also debated with regard to individual freedom and it was argued that the focus on group consensus and harmony was neither leading to optimal competition nor providing employees with equal opportunities (Patterson 2002; Lee 2003). The aims to balance the paradox of individuality vs. group orientation and at the same time promote both economic progress and a sustainable social responsibility is the subject of the following analysis.

The main purpose of this article is to show how ideologies of corporate social responsibility through group solidarity one the one hand and demands of business optimization and individual competition on the other hand become interpreted and integrated into individual and group strategies of securing resources and recognition at the expense of all other ideals in a department of the Korean credit card company BC Card. Further, we set out to challenge the image and conception of Asian corporate culture and ideology, as directly linked organizational economic results and social sustainability in an either positive or negative fashion. Rather, our aim is to provide a more process oriented approach to the understanding of the relation between individual transaction, maintenance of social structure, and financial achievements.

**The social harmony of the Asian organization**

The social organization of Korean companies is often described as developed around Confucian principles (Gudykunst 2004). And according to a number of writers on culture, the Korean national culture more than anywhere else should be seen as a result of Confucian influence (Chang 1999; Ungeson, Steers et al. 1999). In Confucianism the family is perceived to be the entity that group members feel the greatest responsibility and loyalty towards (Na 1997; Lett 1998). It has often been mentioned that companies has incorporated this family analogy and employees are to consider themselves as members of the greater corporate family (Kim 1999; Jandt 2001). As Hofstede (1991: 51) puts it: “*Korea is a society* in which people from birth onwards are integrated into
strong, cohesive ingroups”. As with family, companies are organized in a hierarchical stratification as the maintained social order. It is thus argued that the vertical relationship between superiors and subordinates is guiding all human interaction in Korea and that social sustainability and harmony is dependent on the observance of these relationships (Kim, Helgesen et al. 2002).

A related aspect of Confucianism is the trust between superiors and subordinates. When acting within the frame of the hierarchy, it is argued that Koreans have an intuitive feeling for social balance and harmony (Gudykunst 2004). Subsequently this organization of hierarchy based on loyalty, trust and responsibility is described more as harmonious compared to western hierarchies mainly build on a need for control (Ungeson, Steers et al. 1999; Weber 2001).

The Confucian ideology supports the maintenance of harmonious relationships. Further the expressed empathy between group members is believed necessary to build satisfactory social interactions (Hahm 1986; Tsukaguchi-le Grand 1991; Chang 1999). In other words, the harmony between employees is crucial for maintaining smooth relations in the hierarchically structured Korean organizations. People who bring feelings of harmony and social stability into an organization tend to be valued higher than people who can perform but not gain the loyalty and friendship of superiors, peers, and subordinates (Chang 1999; Oh & Kim 2002). In this case upholding family relations within the company also means that superiors are obligated to track the implicit sentiments of discontent within the group of subordinates and try so solve the problems (Song & Meek 1998). Subsequently, the harmonious social unit becomes a mutual project between the different members of the group and the aim is to achieve a sustainable interdependence through the social reciprocity among group members (Hall & Ames 1987; Ames 1993).

Song and Meek (1998) argue that as part of the confucian ideology sustainable harmony has traditionally been viewed as essential for survival and progress in Korean organizations (e.g. Chang 1999; Ungeson, Steers et al. 1999). Ideally this stability should
be maintained through harmonious social relations and not external force. In this regard Song and Meek (1998) cites a well known popular proverb saying: ‘only if a family works together in harmony can it succeed’. It has often been argued that the emphasis on maintaining harmony contrasts with more individual and performance oriented Western ideologies such as liberalism (Chung & Jang 1997). The competitive employee who cannot subordinate personal aims to the collective cause is not well accepted because the damage that can be done to harmony of the group. Hence, individual actions are to a high extend evaluated by their contribution to the interests of the group and to group harmony (Triandis 1995; Chang 1999). Group affinities and a collectivist view on performance, it is argued, do not necessarily oppose productivity. As it is stated by Ungeson et al. (1999: 241): "A Korean employee’s work effort is primarily group oriented. Hard work is done so that the group – that is, the company – will succeed”. Theories of Korean corporate culture thereby, in a causal and linear way, describe the effect of a sustainable and harmoniously integrated form of social organization on financial results. But as will be shown below, processes of organizing around the contrasting ideals of group consensus and individual competition often lead to an ambiguous and contested maintenance of social structure.

**Asian Economic crisis and new ideologies**

In the years following the Asian Economic crisis many organizational writers changed their appraisal of the Korea group oriented culture as ideal to follow. By now group orientation was criticized for hindering healthy competition as well as preventing equal opportunities at the work place (Chang 1999; Ungson, Steers et al 1999; e.g. Patterson 2002; Rhee & Chang 2002; Rowler, Sohn & Bae 2002). Instead, Korean corporate culture was described as making employees negatively dependent of their superiors. In addition it was now stated the Korean corporate culture had the disadvantage of leading to inefficiency and group think (e.g. Janis 1982; King & Anderson 1990; Adler 1997).

---

1 As some mention (Rhee & Chang 2002; Patterson 2002) it is remarkable that the previous conclusions on Korean ‘culture’ so suddenly become rejected.
Instead it was argued that new managerial values of individuality and equality and a general dissolution of the family like social structure could lead to a needed corporate transparency to improve competition and employees conditions freeing them of hierarchical obligations. This was from an Asian point of view seen as western management ideologies and as a general demand connected to the IMF loans given to East Asian countries like South Korea (Patterson 2002; Rhee & Chang 2002; Lee 2003). There was, on a general level, demands of larger flexibility and transparency both in the managerial structures and in terms of employment relations. An important issue was to create more job flexibility and to soften the interrelation between the organization and the individual employee. This, however, have also led a less secure employment situation and demands of labor union organization (Lee 2003).

The ideological shift from group oriented management to the more individual emphasis has had great impact on the present corporate strategies of Korean organizations. The practice of integrating and following the new principles, however, has been far from clear and uniform. Rather, the resulting social space for maneuverability within the managerial structures of the organization has been applied and utilized in many different ways for many different purposes - often neither supporting social sustainability nor business optimization.

**Analytical framework**

In this paper a process oriented anthropological approach is applied to reach a dynamic perspective on the creation of social structure (e.g. Barth 1966; 1971; Bourdieu 1977; Barth 1989; Bourdieu 1990; Barth 1994). In this regard the generative model developed by Barth (1966) can be useful in the description of the production and reproduction of cultural patterns. This approach is characterized by the way it departs from the analysis of the processes of action rather than the structures of actions that is most often the foundation of functionalist thoughts on culture (e.g. Hofstede 1991; Schein 1991; 1996). In the generative model the investigation of the creation, maintenance, and distribution of cultural forms and structures are central for the understanding of social organization (Barth 1993).
Social processes, according to Barth (1966), are developed through symbolic and economic transactions between individual – including different form of social exchange, boundary spanning and categorization (e.g. Mauss 1997). Individuals are engaged in an ongoing number of negotiations in the attempt to maximize the resources and recognition available. This way, social structure is generated on basis of strategic choices made in the interaction.

When guidelines for action are continually subject for negotiation, structures or patterns of action should only be conceived as momentary products of the social processes. Social structure, in other words, are not a constant or unchanging concept, independent of interaction and transaction. Even when structures in time are stabilized - or reified – in the individual application of collective representations as so called legitimizing prophecies (Weick 1979; 1993) structures does not exist per se but are reproduced over time when applied strategically by individuals. As Barth (1989: 32) puts it:

I advise that we should try seeking our insights in wider and opener field of social processes. Social activity is an ongoing activity of world-making; the forms of culture are not best explained by abstracting their general principle but by asking what each particular pattern may be evidence of. We must ask just what kind of consistency we find in each particular pattern and why this form develops just here.

Social structures, according to Barth (1966), should thus be perceived as continually in the process of maintenance or change. This makes his model convenient in the analysis of transformation as is the case of this paper. Another useful anthropological approach to the study of change in a social context is delivered by Moore (1978; Moore 1994). She introduces the two concepts of ‘processes of regularization’ and ‘processes of situational adjustment’ which can be used to explain the interpretive social processes through which both social sustainability (maintained structure) and social change can be the outcome. Processes of regularization are to been seen as social processes (transformational processes) with the purpose of producing and reproducing a social order, thereby leading to continuity and predictability. Processes of Situational adjustment, on the contrary, seek
to create changes in the social order thereby also leading to ambiguity and reinterpretations (Moore 1978). The central argument is that: “every interaction contains within it elements of the regular and elements of the indeterminate, and both are ‘used’ by individuals” (Moore 1978:40). The argument is based on the assumption that social life is attempted by individuals to be regularized by the different ideologies, norms and rules, but that every social attempt of this sort will at the same time be challenged by areas of ambiguity, manipulation and inconsistencies (Moore 1978:39). A question of social sustainability is thereby approached by the fact that a given social order could never fully be established.

By using the ideas of Moore (1978) we view organization interactions and transactions as capable of leading to processes of both regularization and situational adjustments. By including social processes of regularization and situational adjustment we will investigate and describe how internal, group related social sustainability and the potentials for social responsibility become linked to ongoing negotiation of value and practices of acquiring resources and recognition.

Methodology
To understand and analyze the social organization of Korean corporations it is necessary to carry out an in-depth and on-sight investigation (Geertz, 1973). In this case, the methodology of ethnographic fieldwork was applied, by one of the authors, during a three months period using participant observation and semi-structured interviews as data collection tools in a Korean banking company – BC Card Company. Participant observation was carried out through the daily presence in the organization and during after hours at social arrangements. All together 42 interviews were conducted with Korean employees and managers – in a combination of both Korean and English language (Jonasson & Lauring 2005). Generally, the interviews were kept as an open dialogue between the researcher and the informant, leading to numerous informal dialogues between the ethnographer and the informants (Bernard 1995).
The research project was carried out according to hermeneutical anthropological principles, which can be described as open and circular, where new questions and themes are continually integrated in the data collection tools (Wadel 1991). Thereby, the investigation is initiated exploratively focusing increasingly on central themes observed or mentioned by informants. In this way the technique combines openness towards the different informants’ view with a systematic scientific approach (Spradley, 1980; Marcus, 1995).

The Korean corporation BC Card represents an interesting case for describing the social dynamics of the Asian workplace in a situation of transformation. Further, the local Shinchon Branch, where the fieldwork was conducted, had been characterized as the best run branch in the entire corporation. BC Card Company – and especially the Shinchon branch - , thus at the time of the fieldwork in 2002, represented the managerial and organizational style that many Korean companies still strive for.

BC Card Company was a comparatively large corporation holding around 2000 employees divided into a Head Quarter and 11 branches. Shinchon Branch had 35 employees divided into three teams on three levels. Most of the regular employees were relatively young – between 20 and 30 years old (e.g. Jonasson & Lauring 2005).

**New management systems: Ideology and practice**

After the Asian economic crisis in 1997 BC Card was in hard competition with other credit – and banking card companies. A main focus during the millennium shift had been to change the company’s formal management and employment strategies. It was argued by BC Card’s top management that there was a need for a new organizational design to improve productivity and transparency. As one of the managers at the Headquarter formulated it, the target was to develop a managerial style “where old-time family and friendship-like alliances have been replaced by rational leadership and individual performance”. The strategy of replacing the family oriented ideology with individualized procedures, however, was not unambiguously supported by the Headquarter. Subsequently, the new motto or sahoon was formulated as: Soesoero
saeropkae takachi 'by oneself, progress, all together’. It expressed a management ideology of a balanced and sustainable relation between individual competition and collective harmony. In Korea employees are, ideally, supposed to be influenced by a deeper understanding of the sahoom to the point where their attitudes and personal values directly match the ideals of the corporation (Bar-Tal 1990). Song and Meek (1998) argue that managerial values in Korea, through the sahoom are articulated in a way which corresponds to the national core values of harmony, unity, collectivity, and vertical social relations. Generally, it can be said that corporate mottos are phases which aims to inspire employees to their best effort, and to raise a sense of corporate pride (Lee 1989). Further, the sahoom is also an ‘officialized’ representation of the firm’s core values - or, at least, the core values it would like to be known for externally.

The formal statements of BC Card Company, thus, expressed an ideal balance between the older harmonic family values and the newly introduced individualized competitive style of management. This, however, was to a high extend and the followed by instability and insecurity felt by the employees used to manoeuvring in the vertical hierarchies. But as will be shown in this case, the new management ideologies were also subject for different situational adjustments and a strategic utilization of both ideologies and social orders was locally developed in the pursue of individual and group based goals (e.g. Barth 1966; Moore 1978).

By focusing comparatively more on the individual achievement the company aimed generally to improve performance. This argument lead to the implementation of new formal systems as ‘tool’ for changes in the managerial style. These systems were to enhance individuality and productivity in a Western fashion. An example of this can be found in the effort of replacing the ‘old-time’ hierarchical stratification with more flat, egalitarian organizational structures leaving only three position levels in the branches

---

2 Officialization is a social process whereby certain statements, statuses or ideas become institutionalized as the ‘right’, official and influential norms, statuses or values of society. The point is, that these statements also are used strategically to legitimize individual’s or group’s actions and efforts of obtaining different ressources (Bourdieu 1977)
manager, team leader and team worker. This was seen as a radical empowerment of the regular employee’s position.

So before it was unthinkable that work just went through the hands of maybe two people, but nowadays it is the way we do it. The team worker may go to his team leader but not to everybody because he himself can make some decisions. (Team leader)

One rather favoured aspect of the new company policies was the implementation of a five day working week (in opposition to no regulation on this area at all) – a demand of company policy which was made by the labour union. The shorter working week was often mentioned when describing the improved working conditions following the new management style. Employees now were to be measured on their actual performance rather than the hours spend on the job. To do this measuring an MBO (Management By Objectives) system was installed in order to better monitor the performance and business results of each branch, each team, and each individual. Most agreed that both managers and subordinates were inspired by these new means of increasing decentralization, transparency, and more equal opportunities for advancements.

About the munhwa ‘culture’, well compared to other companies I think the ‘regulars’ ilbanchik likes that it is more ‘rational’ hapnichokero here. They like the rational based culture here. The ‘knowledge system’ as well as MBO is based on giving work a lot of thoughts, and also between them and the people below there is a freedom to communicate and help each other in that way there is a much more easy and open way of communicating here and I think that is also what they like. (General Manager)

Another result of the new systems was the creation of a group of temporary workers and contractors with very insecure employment conditions. These individuals were seen by the local management as a mean to improve results of the local branch in general. Subsequently, the systems were interpreted in a way whereby the temporary staff could be best utilized to create the needed MBO results. This was mainly done by forming local ‘notions’ (e.g. Holy & Stuchlik 1983; Barth 1989; 1993) for collectivity and cooperation that could be seen as being contradictory to the general new company policy of individual accountability. Thereby the individual results measured by MBO were ‘officialized’ as a
shared overall project. This meant that also the temporary employees were included in the joint efforts to improve MBO measurements – despite the fact that they, due to their short term contract, had no possible way to benefit career wise from the MBO results. This was much criticized by the contractors, yet only during informal talks:

I am not really part of it [MBO], it doesn’t really affect me and my salary. I am only a ‘temp’. But our team leader it does matter to because the MBO decides how he will be rewarded. So for ‘the regulars’ the MBO is important and they also want to make it important for us, but we are more support for the others than that MBO has a direct effect. But they want us to improve the MBO for them. We all just work hard to help other promote. As a whole here in the Branch it is not individual.

Furthermore, in this local interpretation of the new management systems, (by oneself, progress all together) collectivity was outlined as hierarchical managerial structures - also when evaluating individual staff members. An example of this was the yearly election within the branch of the co-workers who were recommended for promotion and following job rotation. This should, due to the new corporate ideologies of transparency and equal opportunities, be decided democratically based on an evaluation of each individual’s MBO results. It was, however, not the case in practice. Rather, some well known hierarchical structures and general consideration of the collective harmony were followed.

I think there are two factors [for promotion]. First, there is the result or MBO and second, people have to like them and they have to be considered very harmonic and have nice personality. That is actually most important. So if you show to be nice and make good relations to the top people then you can get promoted. (Team Worker)

As mentioned by some of the employees, the new ‘Western’ management style was perceived as having a significant - and disturbing - impact on the social relations in the organization. The tangible result was a growing turnover among, not only temps and contractors, but also among the ‘regulars’ ilbanchik searching new employment. Many informants mentioned the extensive pressure for showing good results as the primary reason for the staff turnover. The many leaving people and the process of integrating
newcomers by some, even team leaders, was said to ruin the good atmosphere in the group.

I do not think that the western style like MBO is always that good. You know it is very good for result making. But it can ruin the punhigi ‘atmosphere’ because people are always fighting and are very selfish. They do not feel that they have to help each other and communicate. And as I said - I think that punhigi is most important - then comes results (Team Leader).

But as described above some of the contradictions between economic and social incentives and the following constraints on employment relations and corporate responsibility were also to be seen as part of the team leaders’ local interpretations and officialization of different managerial ideologies. In doing this the local managers argued for integration of both new management ideas of individuality and transparency and of the values of family and hierarchy.

**Creating a Harmonic family – processes of regularization**

Maintaining the hierarchical relations, despite corporate guideline, were legitimized by management as a concern for social well being, coherence, and sustainability in the local branch. The Shinchon management explicitly described it as a form of local collective social responsibility as opposed to the general harsh individual competition promoted by Headquarter. This created a polarization between two managerial discourses: what was termed the ‘American way’ and what was termed the ‘Korean way’. In this regard it was claimed by the local management that a constructive balance, between the two ideologies, could be achieved by developing an organizational structure mirroring that of a ‘harmonious family’. As stated by one of the team leaders:

They stay together and I find it is good because through this time together they will see each other more and more like a family. And also because nowadays, there is so much competition, so it will help to be like a hwahapeun kachogi – ‘harmonic family’ - to overcome it, but you know mostly when this is said it is only in mind not in action. But here I think people really like to be together and do show responsibility for one another.
Through loyalty and mutual social responsibility within the ‘harmonious family’ the destructive relation between individuality and collectivity was supposed to be resolved. This effort by the local management to create a family ideology can, to a high extend, be conceived as processes of regularization (Moore 1978), whereby they tried to make an unstable social situation stable by introducing a local ideology of mutual loyalty and accountability in the production of a new ‘Korean way’ social order. This was done by repeated off work social gatherings, with an officialized aim to create a mutual social awareness, harmony and responsibility among group members - also among the temporary workers which in many cases were excluded from central organizational and labor issues – such issues as promotion, bonus systems and other regulations.

One example of a way in which these gatherings could be seen as efforts of social integration were the way drinking games were strategically used by managers to initiate newcomers within their working teams. To give an example: during the day before one of the parties a newly employed contractor was by his team leader induced to compete with his *sonbae* ‘older team member’ about drinking most beer-shots. When he at the actual gathering tried to avoid this competition his manager answered: ‘*you will drink this in respect of your sonbae – this will teach him that he must do what his sonbae tells him*’.

Later he explained that he viewed these social efforts as the important in the creation of team-loyalty and a feeling of group integration despite the extensive turnover rates among in contractors and dispatchers.

I think it is important to make my workers have a good time together also outside work. Then they will not be sorry to work so hard. (Team Leader)

This was also an example of how and why these social gatherings were in fact mandatory and extended part of the employees work description. Many more, and daily, efforts were used for advancing social ‘family’ oriented initiation and integration rituals (e.g. Turner 1969; van Gennep 1999), whereby the lines between work and pleasure became unclear.

3 Such social gatherings of drinking have by many been described as typical realisation of – and efforts of upholding the ‘asian value’ of collectivity and group harmony (Vogel, 1979; Ouchi 1982). However, this view on social gatherings has also been critized for conceptualizing the situations as ‘black box’ situations and not as in themselves social interactions and part of a social context (Ben-Ari 2002)
leaving the co-workers, including temporary workers, devoting even more time within the company – working and contributing to the business optimization in the corporation. This managerial strategy of extensive social arrangements actually had an effect on the creation of a family orientation within the department – simply because people had time for no other social relations.

Here, we cannot just go home after work, we have to go out to drink and eat or work overtime. We spend a lot of time in the company. We don’t have time to meet our old friends from university, and get estranged to them once we enter a company. That is difficult but we don’t have interest in that any more - just in the company. I like that chipchak ‘attachment’ to the company.

Thereby the local interpretation of the overall policy of productivity optimizing was by some considered to be the social responsible interpretation of how to deal with some of the difficulties of competition, which the new organizational structure and managerial style promoted by the Headquarter was argued to have introduced locally. Yet, it was a harmonious social order which had to be continuously produced, regulated, and preserved.

We must be good at cooperation and to do that we must preserve the harmony within the group and if people do not know each other well and new people come in often then the harmony will be broken and that can be seen on the result. (General Manager)

Individual strategies and social processes of situational adjustment
As can be seen there was not total agreement on the precise meaning of the newly developed ideals. And the contradiction between individuality and collectivity, to a high extend, gave rise to conflicts within the department. Subsequently, groups and individuals strategically employed the ambiguity of the concepts in the struggle for resources and recognition – as promotion and bonus benefits (e.g. Bourdieu 1990; 1995). And instead of underlining the presumed responsibility for their subordinate coworkers and ‘family’ the management used the ideology of the harmonious family and subsequent devotion to work to enhance their own individual promotion rather than to support the group’s
welfare. The department managers had defined ideals in a way that kept themselves at the top of the hierarchy. Thereby they had a good position for initiating the above mentioned family strategies to achieve productivity that in fact had the purpose of leading to their own promotion – measured mainly on their ability to create business results – and subsequently also on the hierarchical structures they themselves tried to reproduce. Their actions were much criticized, yet not in public, by the team workers:

You know team leader Park doesn’t really care about his workers and I think that the punhigi ‘atmosphere’ in our team becomes worse and worse. But he just cares about his own [MBO] result. You know he wants to go to another Branch and be promoted to GM. He also doesn’t care about how it will go in the team if he gets promoted. Because you see he has now actually milked the area off money so it will be very hard for the next team leader to make good results.

This can be interpreted as social processes of situational adjustment of the two different ideologies to fit own needs – in order to cope with shift in demands from the Headquarter. At the same time there were efforts for producing and reproducing a social order and sustainability and efforts for creating ‘cracks and holes’ within this picture of a harmonic family – both processes were applied more or less strategic to serve own needs (e.g. Moore 1978; Laclau & Mouffe 1997). Herein also lay a power aspect. Although it was possible for all co-workers alike to interpret different ideologies, only some of the managers had the needed position to use these interpretations more strategically. However, it was a general and shared opinion that all coworkers – also the better positioned team leaders - were under the pressure of showing good business results to live up to the standards of the Headquarter.

Unfortunately, this strategy did not work out because the ambiguity of the ideal lead different groups to use it strategically to pursue their own targets (e.g. Bourdieu 1995) creating conflict and social fragmentation instead of the idealized image of the harmonious family. One example is the way suspicion and envy rose among the contractors. Some of the women contractors were favored by the managers - accordingly for their great social enthusiasm – which was interpreted as necessary in the creation of competitive financial results. Especially, one girl, Eun-Keong was emphasized:"She is
really a good team member - she never complains about work and has good communication skills” (Team Leader).

The girls were given extra social attention, such as free lunch and bonuses despite of their low productivity in the daily assignments. And this, both material and social favoring, was done at the expense of other male contractors, who in some cases were left to work on the girls’ assignments. This was felt as another very unfair pressure on the male contractors: “You know it is not easy, my team leader always scold me and say I do not work hard enough, and that Eun-Keong is good Mobom ‘role model’ – but I think he just likes her better”.

This creation of fragmented groups rose to physical conflicts among the hard pressed young males during some of the many social gatherings. One of the conflicts was mainly a disagreement of whether or not to ‘suck up’ to the female co-worker Eun-Keong who had complained about lack of respect from a male newcomer. Conflicts within the group of contractors like these were seen by other employees as, on the one hand affected by the new ideologies of more competition and worsened organizational responsibility towards contractors, and on the other hand also as a result of the different local management strategies, whereby the demand was both to uphold good hierarchical group relations and meanwhile large uncertainty of whether or not their position was to be held in the company – by and large decided by the managers. Some co-workers even confronted their leaders with these accusations – this was as an example done during the social gathering where another physical conflict was initiated by an elderly employee, who after drinking too much showed his dissatisfaction with his team manager’s social efforts by hitting the him with a bottle.

A fragmented, disharmonious family: Joint efforts for restoration of a social order
By time an almost impossible conflict situation developed in the department which left all employees exhausted, and in many cases productivity halted which could even jeopardize the possibility of promotion for the managers. It also led to an even larger turnover and most employees hoped to be replaced in another department as soon as
possible. Even though much time was still devoted to sustaining the group coherence through ideals of harmonic family, the image of a fragmented, disharmonious unit was impossible to keep of the employees’ mind.

By and large the leaders and co-workers were joined in efforts trying to overcome the different conflicts and mutual distrust by further social processes of regularization. An example of this was the gathering of almost all employees at the wedding ceremony of one of the much disputed favored girls, Eun-Keong. It seemed an almost demonstrative act upon the recent physical conflicts to see the previous fighting combatants walk around arm in arm talking about the dinner reception - or to see the obstinate co-worker and his team manager shake hand. By some functionalist scholars situations like this is explained as simple Korean culture mechanism of group loyalty first and foremost (Vogel 1979; Hofstede & Bond 1993). But it must not be forgotten that people at the same time were all yearning to become promoted and ‘jobrotated’ – away from the branch (others, the temps and contractors, could only hope to leave the company, if another job became available) a wish that had become even harder to obtain due to the decreased productivity level.

The main issue is that the employees and managers tried to achieve a harmonious balance between business optimization and social sustainability and between individuality and group orientation. In that sense the connection between overall managerial strategies and the local interpretation becomes clear. A social order and sustainability is wished for by both Headquarter and co-workers – but with different aims of either company sustainability or job opportunities. It can be seen that a social order was tried to be created, maybe even more in the light of the growing social instability. Here the relatedness between processes of regularization and situational adjustment creates a rather indeterminate social ground for corporate sustainability (see also Moore 1978).

It can be concluded that due to the recent shift in corporate ideology, the effect of the different local interpretations, and individual strategies of promotion, recognition and resources the balance was constantly challenged leading to a situation of continuous
processes of regularization – and even more difficult grounds for social integration within the ‘family’. All in all there was in fact a decline in efficiency and financial results and a lack of social coherence in terms of holding on to the employees and creating a harmonious working environment. This being the result of a company strategy of introducing a more western and individual oriented managerial style in order to be able to meet competition - and secure the long term corporate social sustainability.

Conclusion

As a concluding remark it can be argued that the harmony of the Asian working group in this situation was not sustained as a natural fact. On the contrary, harmony had to be continuously maintained in the social interaction and the mutual responsibility was often undermined by individual or group based strategies for acquiring resources or recognition at the expense of other members of the ‘family’. This, of course was partly initiated by the confusion of the introduced new western management style. It can, however, also be argued that tension between individual achievement and sustaining group solidarity is inherent in all organization – even in Asian companies.

We have hoped to show the importance of focusing on the different social processes within a group when working to promote group coherence and sustainability. Thereby we have given an outline of how demands of corporate sustainability become actualized in – and through – practice leading to dilemmas of fulfillment of these demands. A focus on practice first and foremost shows that a shift in managerial ideologies cannot be analyzed as the mere question of making practice fit or not fit to a given managerial strategy, nor is it a question of a difficult replacement of one ideology by another. Rather such an analysis is a question of analyzing the change and dynamics inherent in organizational practice. And this highlights the need of understanding the structured social and individual interpretation of different management ideologies – and the way this affects the ongoing social processes of both regularization and situational adjustment – both of them trying to create a social order and at the same time adjust it to the inherent needs. Needs and opportunities which in turn are also shaped by the shifting demands in macro-policies concerned with corporate sustainability on a general national level.
In South Korea up till now the responsibility of large corporations or *Chaebols* has been left unquestioned and at the same time taken for granted due to the ‘Asian values’ of a family bond and mutual collective responsibility – also in between company and society (Chase-Dunn 1987; Helgesen 2003; Lee 2003). But in recent years there has been a larger public and political questioning of the large role that certain major corporations play in society.

The recent shifts in managerial ideologies and the company strategies following it reflect the socio-economic issues that South Korea has been dealing with in the years after the millennium (Helgesen 2003; Lee 2003). An example of recent labor market alterations is the growth in number of part timers and contractors etc. This has been followed by a growing demand of strengthening of labor unions, a demand which has up till now been withheld by the larger national focus on economic development. These conditioned workers have, as seen in the above case, up till now been left without much security, while at the same time been a large help in restoring the national economy (Helgesen 2003; Lee 2003). As much as the economic development project can be seen as a globalizing factor there is also internal problems concerning larger corporate based social responsibility – which have not been and cannot be solved by insisting on a so-called harmonious family ideology. The question is of the connections between recent corporate social responsibilities in the light of different managerial ideologies. Here the whole managerial discourse, whatever ‘Korean way’ or ‘American way’, of essentializing organizational ideologies and national culture as the main factors for creating a positive balance between business optimization and social sustainability (both internal and corporate) must be criticized from not only an analytical but also a moral standpoint.

There lies within this discourse of creating a balance between corporate goals and individual needs a potential danger of irresponsibility in prioritizing corporate loyalty and business optimization *before* employees needs – an irresponsibility which can be both argued for and blurred by the argument of - and essentialization of - an ‘Asian culture’ by the creation of which corporate coherence and integration will ‘naturally’ lead to social
responsibility. This can be described as ‘culturalization’ whereby culture becomes the main explaining factor for all social and corporate action. Thereby the social responsibility, both internal in the company and on a larger corporate scale is made not a political but cultural issue even though practice has shown to be connected to not cultural or social processes alone but exactly structured by the different managerial ideologies, strategies and systems – themselves highly connected to societal, environmental and global changes.
References:


