

Thai and Korean: A Comparative study of Corporate Culture and Management Style.

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Abstract

This paper investigates the differences in Thai and Korea on corporate culture and management style. A number of studies have investigated various aspects and characteristics of “Chaebol system” for Korea firms and many of Thai corporate culture has received considerable attention in business literature. However, there are no studies that compare the overall corporate cultural characteristics of Korea and Thai firms. In this study, a comparison by using qualitative technique reviewed from various primary sources of information and academic journals is conducted. The Confucianism and Hofstede’s national culture value were used as a model for this comprehensive investigation. Finally, the findings found some considerable similarities and differences between Korea firm and Thai firm in terms of Quasi-lifetime employment, some mobility in evaluation and promotion, implicit control mechanism, and autocratic and consultative decision making.

Introduction

Korea was a colony of Japan from 1905 to 1945. Upon the surrender of Japan at the end of World War II, the country was split into two zones of temporary occupation, for the purposes of overseeing the orderly dismantling of Japanese rule and establishing a new Korean government. With the Soviet Union assisting the North of the peninsula and the United Nations led by the United States supporting the southern half of the peninsula, war developed which divided the territory into two countries. The tension between the two governments resulted in the elimination of trade and other contacts across the new border. This was difficult because the Japanese had developed industries in the North while the South had remained primarily agricultural. Autocratic rule, not unlike that of the colonial Japanese, has been the norm in both North and South Korea until recently when democratic leadership has emerged in the South.

South Korea, bolstered by massive infusions of economic and military aid from the United States, has pursued a capitalist strategy; the result of this choice has been dramatic. South Korea today is often said to be the fastest growing economy in the world; by the year 2010, it is expected that per capita income for South Koreans will equal that of European economies.

manufacturing accounts for 30 percent of the GDP.

In the past few decades has been instrumental to the rapid development of the Korean economy. The ostensible successes of the 1988 Seoul Olympics, democratization, and the economy catapulted South Korea as a model for developing countries. Various approval and authorization rules and regulations were indispensable tools to effectively carry out policy during that era. In this politico-economic environment, it was customary for government to award special privileges to certain companies or individuals in turn for special favors, thereby encouraging illegal political funds or bribes to influential politicians and civil servants. In addition, authoritarian practices, strong regional and academic connections, sectarianism, and paternalism seriously affected the proliferation of corruption throughout the whole society.

Chaebol is one sample of the politico-economic environment and in some case they are dependent on government approval. The chaebol, they are conglomerates of many companies clustered around one holding company, the parent company is usually controlled by one family. In 1988, the 40 top chaebol grouped a total of 671 separate companies. The companies hold shares in each other their concentration is amazing. South Korea must be easily the most prosperous industrial country to have such a concentration of the economy: the top four superchaebol have sales which account for somewhere between 40 and 45 percent of South Korea's Gross National Product. This is much higher than Japan. But Korean chaebol also differ from most Japanese keiretsu in major ways: Whereas keiretsu are also centered on one large financial institution or bank, such as Mitsubishi, in Korea the chaebol do not have their own financial institutions. This has traditionally made them much more dependent on government approval, especially since South Korea's banks were nationalized until the mid 1970s and industrial firms were prohibited from owning large shares in them even when they were privatized. Chaebol tend to spread across industries, unlike many keiretsu in Japan which integrate vertically in the same industry. Chaebol are more centralized than keiretsu. Like the American and European conglomerates of old, they have strong central staffs whereas many keiretsu in Japan have no central staffs at all. So where the Japanese conglomerates operate more by informal networking, their Korean counterparts have formal structures and centralized control. Chaebol are much more family based than keiretsu. This could be partly because they are newer institutions which have yet to pass out of the founder's hands in many cases, or there could be deep cultural differences between Korea and Japan which make Koreans far more family oriented (like the Chinese) and Japanese more oriented to wider social groups. The result is that even though they have grown to cast propor-

tions, most chaebol continue to be overwhelmingly family concerns. While there is an emerging class of middle managers, one study in the late 1970s found that 12 percent of all top executives in chaebol are closely related to the founders.

Because of the rapid integration of international markets through transportation and digital revolution, the interdependency between Korea and the world market is rapidly deepening. This swift environmental change has caused Korean businesses to face fierce and unlimited competition in the domestic as well as international markets. However, the existing collusive structure backed by illegal abuse of authority and bribery still continues due to the lack of fundamental change in institutional and incentive structures.

Leadership versus Management

Although Leadership is similar to management, some theorists make a clear difference between these topics as a way to highlight the distinctive nature of leadership. Managing Things versus Leading People. One contrast between management and Leadership focuses on what is influenced: managers manage things, while leaders lead people (Bennis, 1989).

Managers focus their efforts on inanimate objects, such as budgets, financial statements, organization charts, sales projections, and productivity reports. Leaders focus their efforts on people as they encourage, inspire, train, empathize, evaluate and reward. Leaders are ones who build organizations, create organizational cultures, and shape society. Managers maintain bureaucratic procedures and keep organizations running smoothly by solving problems (Zaleznik, 1992).

Warren Bennis and Burt Nanus highlight the differences between managers and leaders by saying that “managers are people who do things right, and leaders are people who do the right things” (1985). To manage means to direct, to bring about, to accomplish, and to have responsibility for. The functions of management are planning, organizing, directing, and controlling. The successful manager is viewed as someone who achieves results by following the prescribed. Activities and by maintaining behaviors and products with prescribed limits (Cherrington, 1994).

To lead, however, is to inspire, to influence, and to motivate. Effective leaders inspire others to pursue excellence, to extend themselves, and to go beyond their perfunctory job requirements by generating creative ideas.

Controlling complexity versus producing change, John Kotter has proposed another way to examine difference between managers and leaders by studying the specific focus of each. Management focuses on controlling complexity-creating order in the organization, solving problem, and ensuring consistency. Leadership focuses on creating change-recognizing the demands of

a changing environment, sensing opportunities for growth, and communicating a vision that inspires others. Here, leadership is not necessarily better than management, nor is it a replacement for it. Both functions are needed in organizations, but they may need to be performed by different individuals. Although some have suggested that management and leadership are skills anyone can learn, Kotler argues that good leaders and good managers focus on such different outcomes that they require very different personalities (Kotler, 1990).

Management and leadership are both involved in influencing others, and they share four common roles: (1) planning - deciding what needs to be done, (2) organizing-creating a structure of networks and relationships to get work done, (3) directing the work, and (4) controlling-ensuring performance (Cherrington, 1994). Leadership is the ability to inspire confidence among people who are needed to achieve organizational goals. Leadership deals with the interpersonal aspects of a manager's job, whereas planning, organizing and controlling deal with the administrative aspects. According to current thinking, leadership deals with change, inspiration, motivation and influence. In contrast, management deals more with maintaining equilibrium and status quo.

As management is more formal and scientific than leadership, it relies on universal skills such as planning, budgeting, and controlling, management is an explicit set of tools and techniques, based on reasoning and testing, that can be used in a variety of situations, therefore this will emphasize on management style.

Korean Culture and Thai Culture

The movement of industries from one corner of the earth to another, otherwise known as internationalization, is creating cross-cultural environments around the world. According to Ko (1990 : 24), multicultural representation within companies has been growing rapidly. Consequently, there is an increasing demand for the understanding of cultural differences.

To understand cross-cultural elements, it is first necessary to define culture. Culture, according to Hammond (1991: 10-11), is a critical element in any cross-culture research, and its definition must be established before discussion. Culture, according to Hofstede's definition (Hammond, 1991: 11), is not a characteristic of the individual; it encompasses a number of people who were conditioned by the same education and life experience. When we speak of the culture of a minority, or a nation, culture refers to the collective mental programming that these people have in common; the programming that is different from that of other groups, tribes, regions, minorities, or nations.

To look from another angle at what culture means (Hammond 1991:11), quoted Kluchkhon and Kroeberg's definition of culture as consisting of patterns of behaviors that are acquired and transmitted by symbols over time. Which become generally sharing within a group and are communicated to new members of the group in order to serve as a cognitive guide or blueprint for future actions.

The Korean Culture

Many studies have found that Korean culture is based on Confucian collectivism (Nam, 1991 : 68). The Confucian religion teaches the Koreans, as well as members of other Pacific Rim Countries that subordination of individual goals to group goals is better than individualism (Ko, 1990 : 51; Moran & Harris, 1982 : 231 - 236; Nam, 1991 : 68).

However, Confucianism is more than a religion; it is a basis for code of ethics among the Koreans. The Confucian Analects (notes compiled by Confucius disciples to serve as a manual for etiquette) provides rules of governing oneself through life. They assert that human relationships should be managed harmoniously. The Analects emphasize that within such management there are superiors and inferiors, and that superiors should act with virtue while the inferiors obey their superiors. Other admonitions in the Analects are that an individual should be dutiful to parents and elders, respect human dignity with fairness towards all mankind and indulge in servility, frugality, abstinence, and diligence (Engholm, 1991).

Two influential social theories of the last half of the 19th century were the Gemeinschaft-Gesellschaft theory of Ferdinand Tonnies (1887; Parsons et al. 1961) and the mechanical versus organic solidarity theory of Emile Durkheim (1893; Parsons et al. 1961). While we now recognize that social systems are more complex and cannot be explained by simplistic notions of natural evolutionary progress, these concepts may still help today's international managers anticipate how cultural values that motivate individual behavior may vary with differences in social structures and with industrialization in particular. Both the Gemeinschaft-Gesellschaft and the mechanical-organic solidarity distinctions differentiate societies on the basis of the development of industrial systems and related social infrastructures consistent with the nature of work. They view the fundamental nature of society and the person as grounded in social relationships. Lastly, they also view the fundamental problem of society as social control and solidarity. Values, norms, and personal expectations of members of the society are inculcated through social interaction and adapt the individual to the form of society. Martindale (1960) characterized Tonnies' Gemeinschaft society as founded on the bases of social relationships. The Gemeinschaft society is grounded in

expressive experiences of fellowship, kinship and neighborliness. Wealth was based in land. Social control was exercised by informal consensus, folkways and religion. Law was based in the family. The basic mentality was characterized by feminine characteristics of sentiment. The family and the extended kin group were the central institutions. At the opposite end of the continuum, Gesellschaft society was characterized by social relationships involving rationally planned exchanges; wealth was money (as a standardized and formally recognized medium of exchange). Social control was based on convention, legislation and public political opinion. The basic Gesellschaft mentality is described as masculine in that it is based on "calculation and conscious behavior" (Martindale, 1960:84).

Korean Management Style

During the Japanese presence in Korea, there was a lack of Korean inclusion in management positions, as stated by Kim and Kim (1986: 169). Even with the late arrival of Korean management theory in the 1960s, the growth of management units in a country half the size of California grew to 20,000 in the 1970s and, assuming five managers per unit, according to Kim and Kim, management manpower grew to reach 100,000. Some studies show that about 88,000 Koreans were employed as managers and officials (Korean statistical Year Book, 1970).

The recruiting of managers into organizations begins immediately after students complete their undergraduate or graduate programs. They are hired as either office staff or research and development engineers or scientists (Peterson, 1993: 287). If these hired demonstrate intelligence and ability to lead others with a spirit of harmony and diligence, they are promoted up the management hierarchy based on their seniority (Peterson, 1993: 287)

According to Kim and Kim, management activities are mostly seen in Larger Korean firms, which over the years formed the Federation of Economic Men. Kim and Kim went to say that, in 1970, the 200 members of the Federation of Economic Men were employers and each employed 300 to less than 3000 workers among which were 10 to 100 managers. About 50 percent of the Federation members were owner managers of private firms and 23.4 percent were top managers of public firms while the remainder were directors of trade associations (Kim & Kim, 1986 : 170). A very large number of the members had no formal education, and most of the members were born the 1900s. As stated by Kim and Kim, 39.3 percent were born in the 1910s, 33.3 percent born in the 1920s, and 25 percent were born in the 1930s. These statistics only show one thing-most of the Korean business organizations are controlled by members of the old age group (Kim, 1985 : 170).

However, Korean management styles have progressed from the pre-industrial management pattern to the present industrial management pattern. Pre-industrial management practices were based on indigenous and traditional forces, while industrial management is based on the management behaviors that have emerged as a result of the new, exotic, and perhaps heretofore unknown economic forces induced by the recent impetus to economic development in Korea (Suh,1975 : 45).

The advent of industrial growth in Korea fostered the inflation of the organizational scale which in turn promoted the grandiosity of company owners (Suh,1975 : 45). The owner of a company is respected and is given a title such as Mr. Company President. The owner of a company is considered within society as the father of its employees, and the organizational structure is hierarchical.

Modern organization theories, however, have deprived Korean management of formal hierarchical organizational structure. Today, according to the Mooney and Reily Scalar principle, there is a delegation of authority and functionalization (Suh,1975 : 45), and all members of the management team are held directly responsible to the proprietor at the top. Management decisions are discussed among informal groups which sometimes include lower level employees (Suh,1975 : 45).

In the most instances, however, in approving decisions, the head of the organization expects the subordinates to write critical decisions and for them to be approved by the Leader or proprietor.

The Leader-employee relationship is authoritarian and doctoral. The strong and directly personal influence of the leader on subordinates is what keeps the organization intact, Korean doctoral and authoritarian leadership, according to Suh, alternates to paternalistic leadership or the father-son relationship.

The true intention of Korean leadership may be explained in terms of self-actualization the confirmation of self-greatness through one's influence on others. At the same time, a reverse explanation is equally possible, namely the since the paternalistic approach is unavoidable, one has to dictate in order to minimize adverse outcomes. At any rate, either interpretation solves the problem of organizational efficiency via leadership (Suh,1975 : 48).

Paternalistic leadership got its roots from **Kwallyo Chedo**-the bureaucratic institution of the Yi Dynasty (1932-1910) in which, according to Suh, the ruling apparatus took responsibility for all social needs of its constituents. The ruling system of the king was hierarchical because the king directly appointed and controlled all central and local officials, who unless specifically

instructed by the king were responsible to no superior other than the king (Suh,1975 : 48).

The Korean government initiated the industrialization of Korea after the World War II. As a result, Korean industrial management became passive (Suh,1975 : 56). The government provided funds, and drew the blueprints for industries. Some business organizations that attempted to follow proscribed industrial management failure. Those organizations that thrived and expanded adopted the traditional approach of vertical expansion (Suh,1975 : 45).

In vertical expansion, management is the extension of the traditional method where the organizational structure is a status of identifying who is who. As an organization grows, and it becomes impossible for the leader to continue his or her total control; special departments known as *pisosil* are created to which supervisory functions are assigned (Suh, 1975). These departments report directly to the leader, or sometimes the leader can even receive strategic information from another *Chokso* (right person, right place). Some experts believe that this dualism in effect adds to the operating costs of an organization.

The present understanding of leadership within Korean business organizations is owed to a few interviews with senior managers, academicians, and government officials (Oh, 1992). Interviews, however, have given some understanding of Korean leadership. According to Ho (1992), the economic success brought about by Korean leadership is based on a homogeneous society founded on Confucian work ethics and government policies, the family-controlled growth-oriented cabals with paternalistic and authoritarian management.

Behavioral traits of Korean CEOs

The traits of CEOs of successful firms have usually been studied in the fields of entrepreneurship (Low and MacMillan,1988; Massie, 1987) and leadership (Bass, 1991; Locke, 1991; Yukl and Van Fleet, 1992). However, it is not easy to meaningfully identify the ideal traits of Korean CEOs of small and large firms from the existing leadership literature. In addition, the ideal traits proposed by previous leadership research using data collected in other societies might not be applicable to Korean society. In this study adopted a method of directly extracting traits by analyzing actual Korean cases.

The CEO trait of successful firms, called the management's respect for employees (rated first at 30.4 percent), means that the CEO cares for the staff, respects their personalities and freedom, and tries diligently to develop the human resource. An example of this trait would be the founder of the KUMHO group (ranked eleventh by total assets in Korea), who always told his successor that "before building a product, build sincere workers." Thus, this CEO invested

heavily in employee training and increased salaries up to 200 percent, even during recessions. Such employee-oriented management includes spiritual care of the employees, achievement of a community-oriented concept, endowment of freedom to the employees, and respecting and nurturing them.

With an “initiator attitude” (rated second at 22.8 percent), the CEO shows diligence and sincerity, and he practices a site-oriented concept (such as not just talking but solving problems personally at the work site or acting as a leader). For example, the CEO of the LG group (ranked third by capital), while working under his late father, personally delivered products to trading partners at daybreak, labored manually at the factory during the day, slept at work at night, and sometimes even made visits to service malfunctioning appliances. Such traits include sincerity and diligence, initiative, site-oriented behavior, responsibility, and aggressiveness.

The trait “tenacity and sense of summoning” (accounting for 20.8 percent of the sample) means that, even when faced with difficulty in the course of promoting a business, the CEO will not bend his will but will show strong tenacity with a sense of calling for the job and a strong sense of achievement. The CEO of the Halla group (ranked sixteenth by capital), notwithstanding a government measure that forced the hand over of his primary factory to another firm, and his own bad health, overcame these difficulties by devoting his energies to the development of the Mando Engineering Company. Such a trait includes tenacity and obstinacy regarding the job, a strong need for achievement, a challenging spirit, an unbending will, and a sense of calling to contribute to the development of society and nation.

Through “network-building ability” (ranked fourth at 13.6 percent), the CEO promotes friendly relationships among the employees and uses external relations efficiently. For instance, the CEO of the Daewoo group (ranked fourth by total assets) built strong relationships with government officials and financial elites and used the network ties to undertake mergers and acquisitions. The above trait includes abilities for personal network-building, persuasion, communication, external-relation building, and using personal networks.

Finally, “emphasis on competency” (12.4 percent) means that the CEO strengthens competitiveness through an endless development of technology and of employees. An example is the CEO of Sambo Computer, who invested a great amount of financial capital and personal effort to develop new technologies and minimize the defect rates in spite of the firm’s unfavorable financial situation. Such traits include emphasis on competency and individual capability, and valuing the development of new technology.

Leadership styles of CEOs of successful firms

The cluster analysis conducted on the traits of CEOs of successful Korean firms provided three types of leadership styles. CEOs in cluster number one are those who exhibit a relatively more employee-respecting management style than CEOs in other clusters, and they emphasize an initiator attitude that is site-oriented. He named this “battlefield commander style” because of its field-oriented concept, its people-oriented management, and its aspect of trying to do something personally. Ninety-four out of 164 successful CEOs fitted into this cluster. As this cluster accounted for the majority of the sample, it could be said to be the most representative leadership style of the CEOs of successful Korean firms.

Cluster number two is a style that respects subordinates while emphasizing personal networks. CEOs in this cluster can be called “network builders,” since they demonstrate network-building ability, both internally and externally. This cluster accounted for 24.2 percent of the total sample of successful CEOs. CEOs in cluster number three emphasized tenacity, a sense of calling for work, and respect for employees. Even when faced with difficulties in the process of promoting business, these CEOs showed a strong sense of achievement and tenacity without bending their wills, based on a sense that they had been summoned for the chosen job and, at the same time, showing compassion for the workers. Their leadership style can be called a “can-do spirit” and accounted for 17.4 percent of the sampled CEOs of successful firms.

The result of this cluster analysis shows that, although there is no difference in employee-oriented management and competency-emphasis management among the three clusters, there is a meaningful difference among the clusters in initiator attitude, tenacity, a sense of calling, and network-building ability. This shows that the CEOs of successful firms vary in their emphasis on initiator attitude, network-building ability, strong tenacity, and sense of calling. However, they all strive for employee-oriented management and they all emphasize competence.

This project aimed to identify the core factors of success and failure in the Korean corporate managerial system. Through cases of successful and unsuccessful firms, he found that the CEO factor was an important determinant of a firm’s success or failure (Shin, 1996). Using data collected during the past ten years, this research focused on discovering the behavioral traits and leadership styles of CEOs of successful and unsuccessful Korean firms.

When comparing the traits of CEOs of successful and unsuccessful firms, some common traits were observed. Two traits—initiator attitude, and tenacity without bending one’s will, based on a sense of a calling for work—are necessary in creating a successful firm, although

their lack or insufficiency will not necessarily cause failure. Irresolute decision making and inability to respond to environmental changes are traits that describe an unsuccessful CEO, but there is no guarantee that a firm will be successful when the CEO possesses such decision-making and counteracting ability. Three traits-management that values humanistic treatment of workers, network-building ability, and an emphasis on competency that values the development of technology and of staff ability-are likely to lead a firm to success or failure, depending on their proper or improper implementation. Therefore, in order to create a successful firm, a Korean CEO must nurture the traits characteristic of successful ones-that is, initiator attitude, tenacity, and a sense of calling. A CEO also should have the traits that bring success if held, and that draw failure if lacking. These traits are employee oriented management, network-building ability, and emphasis on competency aimed in a desirable direction.

When we consider the leadership styles of successful and unsuccessful Korean firms, we can observe a Korean uniqueness that cannot be found in Western firms. For example, it is difficult to find a leadership style similar to the "battlefield commander" in the West. This style can be called uniquely Korean, in that a successful CEO in Korea arrives at the work site earlier than the employees, shows compassion and is a model of diligence and sincerity to the workers. Although "network builders" may be considered similar to the "supportive style" (House and Mitchell, 1974) or "developer style" (Reddin, 1970), and the "can-do spirit" resembles the "achievement-oriented style" (House and Mitchell, 1974) and the charismatic leader (House, Spangler, and Woycke, 1991), a sense of calling for development of the nation and warm compassion for the workers are distinctively Korean and not easily found in Western firms. Indeed, the common trait of employee-oriented management is exhibited under all three styles of CEOs of successful firms.

A Korean uniqueness can also be found in some of the leadership styles of unsuccessful firms. For example, the "unapproachable style" (one of the unsuccessful styles completely opposite to the "network builders") cannot be clearly found in a Western firm. However, the "labor-dominating" style is close to the "authoritarian" (Tannenbaum and Schmidt, 1973) or "autocrat" styles (Reddin, 1970) found in Western society, while the "irresolute" style is similar to the "compromiser" (Reddin, 1970). Nevertheless, their content has a Korean uniqueness in their negative aspects-for example, behavior such as the CEO making spontaneous decisions alone. Labor-exploiting management and reckless expansion of business without planning show a Korean idiosyncrasy, in that they are negative aspects caused by Korea's social and cultural environments.

The results of this study shed light on how to develop Korean CEOs for the twenty-first century. Even though Korean firms have been dominated by owner and managers, professional managers are expected to play an increasing role in management of large companies in the future. Therefore, future research should investigate whether the ideal leadership styles identified using data on owner and managers are also appropriate for professional managers. We also need to consider whether the leadership styles generally implemented in Korean firms will be successful when Korean firms extensively globalize.

No “Sacred Treasures” in Korean Management

In Japan, the policy of permanent employment ideally assures job security, fosters employee loyalty, and leads to worker immobility. Whatever may be the actual extent of permanent employment in Japan it is certainly not widely practiced in Korea. For example, Edward S. Mason and his colleagues write. “It is not usual, however, for the Korea enterprise to guarantee lifetime employment to its managerial employees and workers, and there is a good deal more employee mobility among firms than was customary in Japan. In 1979, the separation rate of workers was 6.4% in Korea, compared to 4.0% in the U.S. and 1.3% in Japan. In this regard, the institutionalization of the internal labor market common in large Japanese corporations remains underdeveloped in most large Korean corporations. Correspondingly, executive recruitment occurs primarily from outside, rather than inside, the corporate hierarchy. A survey of top 20 corporations revealed that 40% of executive were recruited from outside, while less than 30% rose through the internal promotional ladder. Thus, it is fair to conclude that the policy of lifetime employment and the associated institution of internal labor markets remain underdeveloped in Korea.

The absence of internal promotional ladder and lifetime employment leads to a corresponding de-valuation of “seniority” in wage determination. The high rate of worker mobility implies the importance of other variables, not the length of time spent in the firm. Indeed, credential in terms of formal education attainment plays the most significant role in Korea. One survey found that college graduates on average received half as much as their high school graduate counterparts; the corresponding Japanese figure was less than half, about 20%. Another study revealed that human capital variables, such as skill and training, were more important than status variables, such as age and marital status, in accounting for wage differentials, thereby corroborating the insignificance of seniority. Moreover, promotion depends far less on seniority in Korea than it does in Japan. Whereas it is difficult to find upper-level managers in the 40’s in

Japan, they are common in Korea. A survey of over 2,000 executives in 100 of corporations showed that 65% of them were in the 40's with the mean age of 47.

Finally, the situation of labor organization in Korea poses a striking contrast to that in Japan. Perhaps the most glaring contrast is the low level of unionization in Korea. In addition, most Korean unions have been industry-based, rather than enterprise-based as in the case of Japan. In Korea, all unions are grouped by industry under a single umbrella organization, the Federation of Korean Trade Unions. In Japan, enterprise unions are organized into several national labor federations, such as Sohyo. Moreover, the labor legislation in Korea remains underdeveloped, lacking adequate clauses for collective bargaining etc. In all these respects, then, the Korean situation for labor and worker organization diverges significantly from their Japanese counterparts.

The Thai culture,

There are mainly three circles of Thai culture as follows.

1. The Social Circle

The newcomer to Thailand, they read and the wonderful service they receive in the Thai airlines, hotels and resorts, foreigners are usually struck by the good-naturedness of the Thais. After their week of sightseeing in the cities and sunning on the beaches, many go home with a warm regard for the country and its people. Krung Thep, after all, really is a city of angles. In the great contrast of the "angles" you encountered during your tourist days: the taxi driver who say he doesn't have the change, forcing you to leave a forty percent tip; the customers who disregard the queue and most impolitely squeeze in front of you at the service counter; the irresponsible citizens who throws garbage into the canals and on the beaches without a thought for others.

2. The Family Circle

Every individual (Thai or otherwise) may be seen to operate in roughly three different "circles". A Thai's innermost circle, of course, is his immediate family. In this Family Circle, the individual is closely intertwined with the fortunes of the other family members. There are, naturally, ranks within this "first circle" as well as guidelines about of informality and a free flow of communication.

Blood is thicker than water. Compared to the West where nuclear families have become more of a desire and necessity, some say blood ties may even be thicker here in Asia. For those

who can afford it, grandparents often live with their grandchildren in three-generation households. Aunts and uncles are often called on to help in those no-questions-asked family complications. Like families everywhere, your mother is more likely to forgive you for certain offenses than non-family members or the law for that matter.

3. The Cautious Circle

Members of your Family Circle may forgive you your transgressions and mistakes. Members of the Cautious Circle may not be so forgiving. This second circle comprises of people with whom the Thai individual interacts on a frequent but more “official” basis: his work colleagues, his doctor, his children’s school teacher, his tailor, even a regular market lady. It is in the circle where behavior tends to be “proper” Thai behavior-courteous, cautious, deferential, friendly, but somewhat formal. The reason for the high standard of manners in the Cautious Circle is the fact that the Thai depends on these associations regularly, for day-to-day survival. And he or she expects to rely on those associations for perhaps years to come. Because of the frequency of contact, each side in these relationships has a certain continuing sanction or leverage on the other. Each side wants to keep the relationships functioning smoothly for the good of both. The existence of this personal, face-to-face leverage-social control, really-maintains the standard of behavior.

The elements which make up this “standard of behavior” are directly relevant to the foreigner who operates most of the time in this second circle, namely the Thai work place. The latter part of this chapter examines these elements, particularly the values and behavior which Thais expect of each other in the Cautious Circle.

Thai values

The following terms indicated the common terms for Thais’ values.

Kreng jai

One of the most important and intriguing of Thai concept is the term, Kreng jai (pronounced a like Graeng jai). At one Thai university, more than a hundred master degree theses have been written by students, dealing with the useful and detrimental effects of Kreng jai in national development. It is a significant concept not only in the abstract but also in the daily behavior of Thais, practiced by individuals from lower ranks of society all the way up to ministerial level. Of particular relevance to supervisors and managers is the use of Kreng jai as a motivator.

Thais themselves often find it difficult to get expatriates a complete or coherent definition of Kreng jai. And yet the practice of Kreng jai is found in dozens of daily situation; a term very much at the front of most Thais' minds as they try to create and nurture good human relationships. The behavior is dominant in most social relationships, and to a large extent, in work as well.

Kreng jai Towards Juniors:

Kreng jai is practiced most commonly by juniors toward seniors-seniors with whom they have frequent contact and therefore have reason to treat with consideration and honor. But on some occasions, a senior will show Kreng jai toward a junior. If an elderly couple have just entertained a large group of guests at home until a late hour, the hostess may tell her maids to sleep late the next morning; or she may help straighten up the living room herself. Or, coming home late from a party, the same couple may open their gate themselves rather than wake up their household staff to do it. Variations on Kreng jai:

Kreng jai, though certainly found in western societies, is probably not found to the same degree or in the same situations. But Kreng jai as practiced by Thai people involves some discrimination in its use. For example, a person can be “Kreng jai” (at which point his behavior is called *Khee Kreng jai*, or “obsequious”) or, at the other extreme, not displaying “enough” Kreng jai, and is readily marked such. A person may also run out of the willingness to be Kreng jai toward someone else, especially if the latter has been repeatedly selfish, or failed to recognize or appreciate that his colleague was being Kreng jai toward him. Such a feeling, *mot Khwam Kreng jai* (“Kreng jai is finished”), is difficult if not impossible to reverse.

Kreng Jai in Government:

Kreng jai, as implied earlier, can intervene in the high levels of government. Two examples: In recent years, efforts have been made from time to time to investigate government officials on charges of corruption. When a relative of the accused learns that one member of the investigating committee is also a relative, the investigation slows down or comes to a halt. In one such case, some of the suspected officials were of very high rank. A department regulation required that the probing committee must consist of “members of a higher or similar rank, and the ministry had no official of such rank.” Thus the investigation could not even get off the ground. At high levels of government, Kreng jai makes it difficult for a bright subordinate to contradict a director-general or minister on crucial matters of policy.

Don't Kreng Jai Me:

Many Thais and Expatriates who have achieved a successful two ways flow of ideas and information have done so by reducing the formality or severity they project to subordinates. They have require weeks or months, trying to prove that they are sincerely receptive to employees' questions, opinions, objections, and even criticisms. A manager may tell his people, "You do not need to be Kreng jai to me." He need hardly fear that his people may drop their Kreng jai toward him altogether. As long as they have esteem for him they will continue to show him consideration in many other ways, some obvious, some less so. But over time, their use of Kreng jai as a reason for not being open can be reduced to a level acceptable to both the Expatriate and Thai. In this way, the foreign manager has made use of the term Kreng jai as a motivator to improve communication and trust.

Phrakhun

Head of the family: If the Thai manager holds considerable power, he also feels that he must carry a greater degree of responsibility for the personal lives of this of his constituents than does his western counterpart. He is seen, to some extent, as father figure.

Having authority entails a set of duties. If a Thai becomes rich and powerful, he takes on certain paternal and patron-like roles, both towards less fortunate relatives, and to junior members of his work entourage. If he has a poor cousin working as a housemaid, for example, he would have to make sure that she does not have to continue working at that job once he himself has become an important person; if he neglected such a duty, other relatives would think him selfish. As for his junior work colleagues, he'd be expected to protect them, somewhat as he would care for family members, take an interest in their personal welfare and family life. All this is a way of showing his recognition for their supporting roles in his meteoric rise. It is the kind of behavior, as the Thai hotel manager explains, which contributes to the bonding process.

Many Thai managers would feel reasonably comfortable discussing employees' personal lives with them, to the extent that what was happening at home seemed to affect their work. According to some Western managers, this would be an unacceptable invasion of privacy. A traditional senior Thai could expect to be approached from time to time by relatives and former clients to help get them jobs. Once they are on board he would be rather considerate of them. If they did poorly he might try to protect them, at least for a while.

Corporate Culture and Management Style : Thai versus Korean

The politico-economic structure backed by illegal abuse of authority and bribery, affected the proliferation of corruption throughout the whole society. Chaebol is one sample which in some case depends on government approval. The chaebol, is the conglomerates of many companies clustered around one holding company, but in Thai group of companies, they will be in the same industry for example if they are financial institutes, the group will consist of leasing company, securities company or even mutual fund. Both of Thai and Korean parent companies are usually controlled by one family.

But after the economic crisis in the country, they have trended to change and the anti-corruption campaign is very strong in Thailand. This is not so serious because the businessmen can give bribes to government officers without any feelings of guilty. The corruption in Thailand is based on an inherit culture “Kreng jai” (a Thai word). is a significant daily behavior of Thais, practiced by individuals from lower ranks of society all the way up to ministerial level such a culture originates the management style.

As Korea was experienced in invasion and war in the past, then when the Labor Unions in Korean are on strikes, they are very strong. But in Thai society, the Labor Union is not strong, Thais are independent and individualistic as Thailand has never been a colonized society.

The traditional Korean corporate culture (Gerardo R. Ungson, Richard M. Steers, Seung-Ho Park: 171-179) versus Thailand culture placed on the following:

1. The centrality of work : Koreans have continued their tradition of working extremely hard. They are diligent, self-sacrificing, dedicated, and dependable. Even the Japanese frequently complain that Koreans work too hard. Koreans simply spend more time on the job than most of their international counterparts. Thai people are relaxed and easy to work. They are late in starting their works and returns home very early.
2. Personal Relationships : Koreans give more credence to personal contracts and relationships while the West relies more on written contracts. This is quite similar to Thai culture.
3. Paternalism in Superior-Subordinate Relationships : In Korean firms, relationship between superiors and subordinates are characterized by a high degree of paternalism. It is expected that a supervisor or manager will assume personal responsibility for the development of his subordinates and that these subordinates will respond by showing the proper respect and obedience : They may involve with their subordinate's

family. It looks the same In Thai culture. The superiors would pay attention to their subordinates only in the office environment. Thai managers hold considerable power. They also feel that they must carry a greater degree of responsibility for the personal lives. Their authority entails a set of duties. If a Thai becomes rich and powerful, he takes on certain paternal and patron-like roles. Both towards less fortunate relatives, and to junior members of his work entourage. As for his junior colleagues, he'd be expected to protect them. He would care for family members and take an interest in their personal welfare and family life. According to some Western managers, this would be an unacceptable invasion of privacy.

4. General Job Descriptions : Korean companies are greatly aided by these nonspecific job descriptions, which support individual behaviors that is for the benefits of that company. In Thai culture individuals may support whenever they have been asked by their colleagues or superiors.
5. The Decision-Making Process and Personal Accountability: Managers care to admit, and make decisions in Korean companies. This remains highly centralized in the hands of top executives who make decisions either unilaterally or in small groups after consultation with the various parties involved. Evidences suggest that most Korean companies tend to fall somewhere between the authoritarian and the participative approaches and are more top-down oriented than comparable Thai companies.

The culture originates management style, Korean management style and Thai corporate characteristics which were observed show the differences in the following aspects.

1. Quasi-lifetime Employment : After the completion of their education, some of Korean employees stay in the same company for their semi-working life but it is not as long as an average of lifetime employment of Japanese companies. But in Thailand the lifetime employment is not often mentioned in Thai business style. It depends on the inter-personal relationships between the management and employees especially in family businesses.
2. Some Mobility in Evaluation and Promotion : Even the salary level depends on length of time spent in the firm but formal education attainment plays the most significant role in Korea. Some of them can be promoted of brevity. In Thailand especially after the crisis in Asia, they are changing to be the western style. Employees in Thai companies would be more mobilized than ones in Korean companies.

3. Implicit Control Mechanisms or informal control as personal relationships : Koreans give more credence to personal relationships in the firms. They work in the harmony environment. It looks quite similar to Thai business.
4. Autocratic and consultative Decision Making : The management also needs the participation of employees. Whenever they can collect some information from subordinates or bottom up, they may practice autocratic decision making. In Thailand, there will be only top-down decision making process, especially the pure Thai owned company. The staff is not familiar with the empowerment style of the management. They are happy to be involved in development of the work process.

The organizational landscapes of the Korean firms have been changing very rapidly. An overview of the nature and origins of these developments continue to try find their place in the global marketplace. In this dynamic environment, predictions concerning and the implications for management style in Korea and it is also prior challenges in Thai society.

Conclusion and Recommendations

Chaebol are conglomerates of many companies clustered across industries but Thailand group of companies will be in the same industry. Koreans indicate that the main cause of corruption is the relation structure of chaebol and government approving process. The Korean government and businesses have also begun to recognize that collusive structures backed by corruption are harmful to the competitiveness of the government and businesses. Therefore the anti-corruption campaign are very strong in the whole country. While the corruption in Thailand originated from the culture, it's very difficult to change in the short period. As Korean experienced many wars, their strikes are very serious. This is opposite to Thailand. Thai labor unions are less powerful.

Koreans are diligent, self-sacrificing, dedicated, and dependable. They work too hard and simply spend more time on the job. Thai employees are late to start working and returns home very early. Concerning personal relationships, Koreans give more credence to personal contracts and relationships while the West relies more on written contracts. This is quite similar to Thai culture.

In terms of paternalism in superior-subordinate relationships, in Korean firms, the relationship between superiors and subordinates are characterized by a high degree of paternalism. Supervisors or managers may look after his subordinates' family. It is the same as Thai culture that the superiors would pay attention to their subordinates both in the office environment and

family. For general job descriptions, Korean companies are greatly aided by these nonspecific job descriptions, which support individual behaviors that are for the benefits of that company. In Thai culture, they may support whenever they have been asked by their colleagues or superiors.

For the decision-making process and personal accountability, most Korean companies tend to fall somewhere between the authoritarian and the participative approaches and are more top-down oriented when compared to Thai companies.

Regarding the management style: originated by cultures and quasi-lifetime employment : some of Korean employees stay in the same company for their semi-working life but in Thailand the lifetime employment is not explicit in Thai companies. Even though the salary level depends on length of time spend in the firm but formal education attainment plays the most significant role in Korea. Some of them can be promoted of brevity. In Thailand especially after the crisis in Asia Thai management style has changed very fast to be the western style. Employees would be more fast promoted than ones in Korean companies.

For implicit control mechanisms or informal control as personal relationships, Koreans give more credence to personal relationships in the firms. They work in the harmony environment. It looks quite similar to Thai businesses. Concerning autocratic and consultative decision making, the management also needs the participation of employees. Whenever they can collect some information from subordinates, they may use autocratic decision making approach. In Thailand, it will be only top-down decision making process, especially in the pure Thai owned companies, the staff is not familiar with the empowerment style of management. They are happy to be involved in development of the work process.

Both Thais and Koreans have different corporate cultures and management styles. The management styles originate from different experiences and ideology, and faith. Buddhism and Confucianism, are themselves of pros and cons. The study of a cross-border investment, may show that both Korean and Thai managers may be affected by these factors and learn how to adjust both corporate culture and management style. The results of the study would certainly encourage scholars to conduct for future research.

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