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# Korean Management, Corporate Culture, and Systems of Labour Control Between South Korea and North America

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### Article abstract

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# Korean Management, Corporate Culture, and Systems of Labour Control Between South Korea and North America

Gregory Teal \*

This paper is an attempt at synthesizing an empirical and a theoretical critique of the cultural model of industrial organization, by focussing on Korean industrial organization and industrial relations in Korea, and on a large Korean industrial organization that was based in Quebec. As a counter weight to the cultural argument, the paper shows that mechanisms established to socially integrate workers into the organization in Korea are weak, and that management has had to rely instead on authoritarianism and on the State to ensure worker compliance. The paper then presents and discusses the social organization of a Korean industrial transplant; while there was a managerial discourse of participation and diffusion of power, the gap between this discourse and the real diffusion of power was such that a sizable minority of employees did not comply with managerial objectives.

*Cet article vise à faire la synthèse d'une critique empirique et théorique du modèle culturel d'organisation industrielle en analysant les principes d'organisation et de relations industrielles en Corée et ceux d'une entreprise coréenne implantée au Québec. Contrairement à ce que propose une analyse plus culturelle, cet article montre que les entreprises coréennes en Corée instaurent très peu de mécanismes visant à favoriser l'intégration des travailleurs: l'administration fait plutôt preuve d'autoritarisme et compte sur l'Etat. L'article poursuit en présentant et discutant l'organisation sociale d'une entreprise coréenne implantée à l'étranger; alors que la rhétorique de la direction met l'accent sur la participation et la répartition du pouvoir au sein de l'entreprise, la réalité est à ce point contraire aux discours officiels que de nombreux employés ne respectent pas les objectifs de l'administration.*

## 1. INTRODUCTION

In this paper<sup>1</sup> I wish to explore the limits and the fallacies of a management and social science fad that has attained the status of paradigm, that being culture as explaining forms of industrial organization and worker commitment to the enterprise. Although the cultural model has been popular for explaining both the success of Japanese industrial dominance and new forms of work organization – particularly but not exclusively in the auto industry internationally – it also has attained wide currency in explaining the success of Korean enterprise in Korea and internationally. I begin with a discussion of the emergence of the culturalist paradigm that has, for many, supplanted the labour process as the definitive theoretical instrument to interpret social organization and change in a corporation. The paper then explores the application of the cultural model to Korea. Culture is widely used to explain Korea's rapid industrialization and its particular forms of industrial organization. This cultural paradigm rests largely on the claim that Confucianism forms the basis of the organizing principles of Korean social relations, including those between labour and management. I discuss the historical and theoretical foundations of this model and present an alternative view of Korean industrial organization in terms of a form of partial or underdeveloped enter-

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prise welfare corporatism dependent on the State to regulate industrial relations. Such a system contains some fatal flaws; as we shall see, the most critical is the weakness of mechanisms, at the level of the organization of the labour process, when it comes to integrating workers into the enterprise. I then examine the operation of Korean transplants in North America, particularly the Hyundai automobile assembly plant in Québec, which has, since the research ended, suspended operations. In this latter section I focus on the limitations of a position which sees management in East Asian industrial transplants as a simple transfer of the so-called Asian (Japanese or Korean)-style management, on the real changes some of the transfers bring to labour-management relations, and on the challenges these changes pose for North American labour. The study of transplant operations is particularly fruitful for exploring issues concerning the interface of culture, the labour process, and industrial organization, and for evaluating new theories and models of industrial organization. Such a project is important in that the transformation of industrial organization and work in late twentieth century capitalism is a global process strongly influenced by international competition. In popular and academic literature, East Asia is often portrayed as representing a culturally distinct form of production and system of labour-management relations. Such an assumption needs to be tested, theoretically and empirically.

This paper, then, is an exploratory critique of the theoretical-ideological foundations of the cultural paradigm of East Asian capitalism. It also empirically investigates the more complex social relations of an industrial transplant that, together with the theoretical weaknesses of the culture paradigm, cast serious doubt on the paradigm as it applies to East Asia in general and to the social organization of East Asian industrial transplants in particular. I examine the social organization of a transplant that tends to belie and contradict the foundations of the current cultural discourse on organizations. There are important changes occurring in the social organization of work. However, the claims made in much of the literature that there is a fundamental redistribution of power due to various forms of participation, and that there is a subsequent convergence of worker identification with the organization, are, on the basis of this and other case studies, highly questionable (Perruci, 1994).

## 2. THE CRISIS OF FORDISM AND MANAGEMENT'S REHABILITATION OF CULTURE

It is commonly accepted that the publication of Harry Braverman's *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* (1974) effected a revolution in the study of work, by returning our focus squarely to the labour process. The themes articulated by Braverman, particularly that of management strategies to reduce worker control over the labour process, held great appeal at a time when the level of job satisfaction among industrial workers in Europe and North America was, by virtually all accounts, in decline, and when workers' organizations were contesting the system of work organization and industrial relations based upon Taylorist and Fordist models.<sup>2</sup>

Yet, one of the ironies of the reorientation effected by Braverman is that it appeared precisely at a time when the North American and European systems of industrial organization were in a profound crisis and entering a period of transformation. This crisis was brought about on the one hand by the internal limitations of Taylorism and Fordism, and in particular, by the problem of stagnating labour productivity. On the other hand, international competition, especially from Japan and Germany, but also and increasingly from the Newly Industrialized Countries of East and Southeast Asia, was challenging the position, and even the continued existence, of key sectors of American and European industry, the automobile industry being the most important and the most effected.

The search for solutions to the crisis of Fordism has led to management's experiments in restructuring the labour process, implementing new forms of work organization such as Just-in-Time Production, Total Quality Control, Flexible Specialization and Team Work.<sup>3</sup> Along with such changes in work organization have come new human resource practices promoting various forms - and to varying degrees - of worker participation. The emergence of participative management is in large measure the result of management's recognition that Just-in-Time, Total Quality Control, Team Work, and other new organizational practices require a certain level of worker participation if they are to be successful. Coercion is not necessarily the best method to mobilize employees

and can be counterproductive as it can generate resistance and reduce employees' commitment to the enterprise (Lincoln and Kalleberg, 1990: 24). Instead, a productive, high quality, flexible work force can be developed by fostering employee commitment to the enterprise, through mechanisms which promote employee identification with the goals of the enterprise and loyalty to it. To foster such an identification with the enterprise and a convergence of interests between employees and management, it is important that the enterprise not be perceived simply as an economic unit functioning for the maximization of profit on behalf of the owners. The new image of the enterprise should be that of a community, or a family, operating around a common set of values and for the benefit of the common good, that is, the enterprise as a cultural entity.<sup>4</sup>

The challenge posed by Japanese industrial organizations, with their particular forms of management and of worker mobilization, combined with the restructuring of the organization of work and the evolution of new forms of human resource management in Western Europe and North America, has led, both in management science and the in the social sciences, to a new model or paradigm in studying and interpreting work: the cultural model of industrialization and industrial organization. From this perspective, industrial organizations can be seen in two ways: first, as culture-producing entities, and second, as expressions of the larger culture of society (Hamilton and Biggart, 1988: 571). Managerial, sociological, anthropological and trade union discourse since the 1980s has undergone a reorientation focused around the concepts of enterprise culture, participative workplace, and new social partnership between labour and management, and what are portrayed as Post-Fordist forms of work organization.<sup>5</sup> This reorientation represents a potentially positive evolution in the study of work in that it moves beyond Braverman's and other reductionist schemas that imply a radical denial of culture and a naive portrayal of the behaviour of labour and management as being based simply on a primitive mutual opposition. It also represents the potential of reform of the workplace and of industrial relations which could redistribute power within organizations. For these reasons, the cultural paradigm and a Post-Fordist discourse have seduced large numbers of sociologists and other social scientists.<sup>6</sup> However, despite the prevailing management discourse around participation and enterprise culture

and the hope of workplace reform that has captured the imagination of industrial sociology and anthropology, it remains to be seen to what extent work is actually being transformed and effective power being redistributed. There is an evident need for carefully conducted case studies, at once open to recognizing changes that are taking place, while remaining sceptical of the extent of such changes in terms of an effective redistribution of power.<sup>7</sup>

### **3. THE PLACE OF KOREAN INDUSTRIALIZATION IN THE ORGANIZATIONAL CULTURE PARADIGM**

The importance of Korea to this cultural reorientation in management and social science may not be evident. North American and European managements have, even if reluctantly, recognized that Japanese industrial superiority lies not in technology but in management methods and the quality and degree of mobilization of Japanese labour (Kaplinsky, 1988: 461-462; Parker, 1990:38). Forms of work organization have been carried out in response to Japanese industrial competition and in an attempt to introduce what are presented as being Japanese-style organizational and human resource practices and labour-management relations (Blanpain, 1992: 17; Lincoln and Kalleberg, 1990: 2; Milkman, 1993: 152).

Sociological interest in alternative forms of work organization likewise has focussed on Japan, Japanese industrial transplants, and what is referred to as the Japanization of industrial organization in the other advanced capitalist countries. Although there exist different interpretations of Japanese management and labour, one which has had some popularity sees Japanese management methods and the quality of labour as having their source in Japanese culture. This cultural model of Japanese industrial organization has a relatively long and continuous tradition. It extends from Abegglen's (1958) view that industrial practice integrates traditional communalism, through William Ouchi's (1981) Theory Z, whereby Japanese industrial organization reflects communal and familial elements in Japanese culture, to Ackroyd's (1988) notion of Japanese management being embedded in its distinct social system (Lincoln and Kalleberg, 1990: 2-4; 11-13; Wood, 1991: 568). The recognition that Japanese manage-

ment practices and worker loyalty are culturally embedded led, in the 1980s, to a debate over the possibilities of adopting such management methods and fostering high levels of worker commitment to the enterprise in societies with different (that is, supposedly less communalistic and more individualistic) cultural values (Lincoln and Kalleberg, 1990: 18; Milkman, 1993: 159).<sup>8</sup>

Korea's industrial and technological development is more limited and has been based in part on extensive borrowing of Japanese and American technologies and practices. Korean transplants have less presence in the North American and European industrial landscape than are their Japanese counterparts. Hence "Koreanization," analogous to Wood's use of "Japanization" to refer to the evolution and diffusion of a distinct model of industrial organization or management system (1991: 568), is not readily apparent.

Yet, Korea does play a vital role in the debate on the relationships between culture, industrial organization, and worker commitment, even if limited by the smaller scale and internationalization of its economy. First, although it has borrowed management techniques and developed its manufacturing capacity through acquisition of foreign technologies, Korea has become more independent within the world economy than was the case earlier (Foster-Carter, 1985: 31). Korean industrialization has not conformed to neo-Marxist predictions of Third World dependent development. It has become increasingly competitive with American and Japanese industry, not only in labour-intensive low technology sectors, but in heavy and high technology sectors as well. Several Korean companies are listed on Fortune's top 100 companies outside the United States (Steers et al, 1989: 2). The rapid and large-scale development of its steel and ship building industries in the 1970s and 1980s has played an important part in the Japanese rationalization and upgrading of their own shipbuilding and steel industries. And as much of literature on post-Fordism and organizational culture focusses on the automobile industry, Korea, with its growing auto manufacturing industry, does have a place in the debate. Like Japan, Korea is a late industrializer, but it began in a much less favourable position. The rapidity of its industrialization has been even more remarkable, passing between 1960 and 1987 from among the ranks of the poorest countries of the world to the tenth largest economy (Ogle, 1990: 29). Korea's industrialization cannot be adequately explained in terms of dependent

capitalist development nor in terms of neo-liberal economics, and its industrial enterprises are highly dynamic in their own right, with their own organizational particularities and management styles. This has led management writers and social scientists, including anthropologists, in the West and in Korea, to speculate that elements of Korean cultural heritage are responsible for management practices and worker behaviour.<sup>9</sup>

A second reason for the importance of Korea in the debate is that, although less significantly than for the Japanese, Korean industrial transplants are now in place in major industrial sectors in North America and Europe. Generally they are organizationally and economically successful and pose a fundamental challenge both to management and to organized labour in these sectors. As early as the 1970s and 1980s, that is prior to the presence of Korean transplants, North American management, perhaps as a message and warning to labour, frequently cited Korean workers' apparent high commitment to intensive work and acceptance of low wages. Korean styles of management and industrial organization also hold great appeal to authoritarian regimes and economic and intellectual elites in the new generation of Southeast Asian Newly Industrialized Countries and in the People's Republic of China and Russia as well.

Finally, on the surface, the cultural paradigm to explain industrialization and industrial organization has even more applicability to Korea than it does to Japan. The cultural paradigm for the Japanese case states that the traditional Japanese cultural dynamics of collectivism rather than individualism, and the stress on harmony – both portrayed as being partially derivative of Confucianism – are responsible for the high work effort of Japanese workers and their commitment and loyalty to the company, and for the participative style of Japanese management. The Confucian cultural tradition was stronger in Korea than in Japan and, as we shall see below, cultural interpretations of Korean development have claimed that these traditions have influenced management practices and the supposed loyalty and high levels of commitment of Korean labour, and have therefore been a key feature in the success of Korean industrialization and industrial organization.

In sum, a popular current in management and social science writing claims that there exists a close interdependence between the enterprise and the wider societal relations, and that this interde-

pendence is assumed to influence both the style of management and the level of commitment of workers, fostering, so we are told, a high level of consensus within the enterprise and in the society in general. Korea does have a place in the debate around enterprise culture in the advanced capitalist countries, where the search for such a consensus and workplace reform has become the mode in management, trade union and academic circles.

#### 4. THE CULTURALIST MODEL OF KOREAN INDUSTRIAL ORGANIZATION

Beginning in the 1970s sociologists and economists began explaining Korea's rapid industrialization as being based on its Confucianist heritage. In a widely cited article on world economic development, Thomas Kahn stated that the Confucian ethic - the creation of dedicated, motivated, responsible, and educated individuals and the enhanced sense of commitment, organizational identity and loyalty - will result in what he called Confucian societies having higher growth rates than other cultures (Kahn, 1979). Since then, the Confucianist, culturalist model has been a recurring theme in explanations of Korea's rapid industrialization, the apparent commitment of its work force, and the supposed harmonious character of labour-management relations. Almost all recent books on Korean management and the so-called miracle of Korean industrialization stress the role of Confucianism. Even writers who seek to develop a more balanced explanation of Korean industry, by bringing in an organizational or institutional analysis, lend credibility to the culturalist model. Hamilton and Biggart (1988: S53), for example, while recognizing the limits of a cultural model (in attempting to explain everything in general it explains nothing in particular) claim that "a cultural explanation enables us to see organizational practices not only in Japan but also in Korea and Taiwan as *generalized expressions of beliefs in the relative importance of belongingness, loyalty and submission to hierarchical authority*" (emphasis mine).

There are at least three problems inherent to this cultural paradigm as it applies to Korea. The first is that it is almost completely devoid of historicity. It assumes a continuous Confucianist tradition, and that this tradition was simply transferred to Korea's new industrial structure. Despite the pervasiveness of Korean Confucianism up until the Twentieth century, such a historical and

cultural continuity and transference as such does not exist. Compared to Japan, the Korean bureaucratic and landed elites of the Chosun Dynasty were much more successful in preventing the emergence of commercial enterprises, in part through Confucianism's relegation of merchants and artisans to low social status. This meant that there was virtually no indigenous tradition of pre-capitalist enterprise existing within the womb of the Confucian society and operating along Confucian social principles. Then, during the Japanese annexation of Korea from 1910 to 1945, the Japanese colonial administration selectively destroyed institutional supports for Confucianism, as the administration saw Korean Confucianism, indeed any element of Korean culture, as a potential source of anti-colonial mobilization. Korean enterprises that did emerge during the period of Japanese colonialism were very limited in their functional autonomy from the colonial administration and from Japanese enterprise.

Finally, during Korea's initial period of post-war industrialization in the 1960s, the Korean government set up numerous University business schools based directly on the orientations and courses then dominant in American universities, and sent over 600 missions of entrepreneurs to the United States. Korean managers and entrepreneurs were strongly influenced both by American and Japanese management practices and American management theory from the earliest days of its post-Second World War industrialization. In short, a continuous Confucianist heritage and its direct and unmediated impact on business practice and industrial organization is untenable.

The second problem with the culturalist model is that it attempts to establish an artificial separation between what is cultural and what is class. Confucianism is defined simply as a cultural system and a set of social values. But Confucianism in Korea was always a critical element in a system of class domination. Confucianism, officially sanctioned and sustained by the State, served as the ideological legitimation of the system of domination, to regulate class, gender and age relations. It sought to elicit peasant compliance while justifying the inherited status of the landlord and bureaucratic elites (Palais, 1984: 456-457, 468).

This brings us to the third problem of the Confucian culturalist model, which is that it misrepresents empirical social relations, workers' con-

sciousness, and the reality of work in Korea. In an article on Korean corporate culture, the American management professor Richard Steers and his Korean colleagues claim that Korean workers' legendary commitment to hard work is grounded in Confucianism. They go so far as to say that one way "to examine the work ethic is to consider actual behavioral manifestations of it. For example, the average male industrial worker works an average of 53.8 hours per week, reportedly the longest in the world" (Steers, Shin, Ungson and Nam, 1990: 252).

Contrary to such claims, it is difficult to draw direct links between cultural values and forms of social organization of industrial work, or between cultural values and patterns of social behaviour at work. Such claims must be regarded with extreme scepticism, particularly when attempting to explain the length of the work week. The length of the work week in Korea was not voluntary or an expression of an internalized work ethic. It was based on economic need, political regulations, and management policies. Korean workers had to work long hours to survive economically. They have had to endure long hours because the Korean state has systematically denied basic workers' rights, and because management in Korea incited worker commitment primarily through authoritarianism, force and coercion.<sup>10</sup> To claim, without any nuance, that worker behaviour is a pure and voluntary reflection of a generally accepted cultural tradition, is not simply the result of being blinded by a theoretical model; in the presence of overwhelming empirical evidence to support alternative analyses, this cultural explanation appears to be little more than the legitimization of a managerial view of the world.

Steers and his colleagues claim that the second typical characteristic of the Korean work environment, also derived from Korea's Confucian heritage, is its maintenance of group harmony based on worker loyalty to the company and that there is a society wide social contract based on workers' acceptance of the government and its economic policies. Individuals are expected to subordinate their own interests and sense of injustice to the principle of preserving group harmony (Steers et al, 1990: 254-255). Once again these authors, among others, downplay or ignore the role of other elements, such as the authoritarian system in which industrial relations existed in Korea from the 1940s through the late 1980s.

## 5. THE REAL WORLD OF INDUSTRIAL RELATIONS IN KOREA

The reality is that Korea's industrialization has not continuously enjoyed unconditional support. Moreover, the social consensus around it has not flowed naturally out of the Confucian cultural heritage but has been ideologically and organizationally nurtured by the State. Even so, periods of industrial peace in Korea have been largely based on the sanction of force and its systematic use to limit the expression of criticism or the articulation of alternative industrial policies and to suppress the development of independent workers' organizations. Beginning with the Syngman Rhee government, each successive authoritarian administration understood that one essential component for the proper functioning of its industrialization policy, centered around a small number of conglomerates, was that of not allowing the possibility for labour to express itself independently. The State ensured the continuing dependence of labour by pursuing a form of corporatism in which the one national trade union federation, to which all unions had to belong, was legally recognized, and incorporated into the governing party. But this was a crude and ultimately fragile corporatism compared to classic forms of corporatism in which organized interest groups are linked with the institutions of the State, (Schmitter, 1979). The Korean State severely limited the growth and effectiveness of even the officially recognized unions. The role of the unions as representing an interest group was thus compromised, and their legitimacy and credibility, as perceived by many workers, was low. There was therefore no social contract, much less a Confucian one based on workers' culturally ingrained acceptance of hierarchy and authority, but rather a generally stable industrial relations climate based on the exertion of State power, which extended into the enterprises.

As for the supposed internalization of and adherence to Confucian values, virtually all of the writings on the subject are based not on interviews with or observations of employee behaviour but on interviews with management or with business consultants. One of the few studies that actually questioned workers on the subject of Confucianism, a survey among blue collar employees of an automobile manufacturer, found that while four fifths of those questioned were familiar with Confucian values and evaluated them highly,

this had little effect on their attitudes and behaviour. As well, 77% of those surveyed said that they had either looked for other employment or considered doing so (Bae, 1987: 81; 95-97). Turnover rates in Korean industry as a whole are higher than either Japan or the United States (Kearney, 1991: 163). This would seem to call into question the real extent of the loyalty to the enterprise apparently exhibited collectively by Korean workers.

In brief, the culturalist model - relying on Confucianism to explain worker commitment, compliance, and work effort, is misleading. However, a large number of Korean enterprises did and continue to attempt to institute a form of welfare corporatism, that is, a set of structures for incorporating workers into the enterprise, along the lines of what Lincoln and Kalleberg (1990: 13-19), following Dore (1973), discuss for the Japanese case. As with the Japanese *zaibatsu*, the Korean *chaebol* - the large, diversified, usually family owned and managed conglomerates - have had mechanisms aimed at fostering worker identification with and dependence on the company. This was carried out especially via initial hiring and training, company symbols such as uniforms, songs and slogans, as well as social clubs and paternalistic benefit schemes. The dormitory system, initially established in Korea during the period of Japanese colonialism by Japanese enterprises in the textile industry, is an attempt to foster dependency on the part of the workers, while allowing close supervision of worker behaviour not just on the shop floor but outside of work as well (Ogle, 1990: 26). Dormitories were especially used by small and medium sized companies in the 1960s and 1970s in the light export manufacturing sector to establish virtually total control over the young, migrant female labour force, but were used by the *chaebol* as well. Hyundai, for example, has dormitories for its single male employees, apartments for married employees, and has sold condos to employees at cost (Bae, 1987: 73; Bello and Rosenfeld, 1990: 26; Kearney, 1991: 147).

The *chaebol* have systematically attempted to foster a sense of community between employees and the enterprise through their sponsorship of social clubs, sports activities and other, generally paternalist, social structures for their employees. However, in the everyday operation of the labour process and social relations on the shop floor, which is precisely how and where identification with the company, an "enterprise culture," and a

corporatist system must be produced and reproduced, most Korean enterprises have been inadequate. On the whole, management philosophy and practice has been one of worker exclusion rather than of integration. For example, in the South Korean automobile factory where most of the research for this article was done, work teams and quality circles were in place but lacked possibilities for worker input and were too hierarchically organized to be as efficient as Japanese or even North American work teams in building worker loyalty. Another researcher at the same factory found significant levels of worker dissatisfaction and low levels of participation on the shop floor. While large numbers of production workers participate in company-sponsored activities outside work, fewer make suggestions for improving production and even fewer felt they received any significant reward for suggestions (Bae, 1987: 89).<sup>11</sup>

The success of large Japanese enterprises in instituting and maintaining corporatism has been based in part on the integration of company-level unions into management goals and planning (without a significant redistribution of power to the unions), and a certain degree of employee autonomy and participation in production. By contrast, very few Korean *chaebol* have attempted to establish close collaboration with employees' organizations but have militantly opposed them. Prior to 1987 the only labour-management forum at the enterprise level was the existence of labour-management councils. However, these were dominated by management and avoided issues of work organization. For example, one of the few issues that was resolved by the Hyundai labour-management council was not about wages or health and safety, but haircuts. Part of Hyundai's policy was that all employees should have military-style short haircuts. But employees complained, through their committee, that it was taking too much of their time and money to go outside the factory to have their hair cut. So management instituted a system whereby a bus with a barber shop inside moves around the compound and employees have their hair cut in the bus at subsidized rates (Kearney, 1991: 175).

Given the absence or ineffectiveness of shop floor structures which would socially integrate workers on a daily basis into a management-determined enterprise culture, most *chaebol* relied on an enterprise philosophy and the moral persuasion of the *chaebol's* founder, with his total commitment to

his company and his frequent exhortations for worker sacrifice and incantations of the company as a big, harmonious family. Enterprise philosophies, whether known as the "Daewoo Spirit" or the "Hyundai Spirit," invariably attempt to elicit worker compliance by regularly promoting the idea that the good of the nation is based on the company's performance which, in turn, requires effort and harmony on the part of the workers. Each company attempts to instill its philosophy in the minds of workers by repeating its principles over loudspeakers and through slogans in company bulletins (Kearney, 1991: 145). Chung Ju Yong, the founder of the Hyundai conglomerate, would regularly address groups of employees, exhorting them to greater work effort by telling them that the company depended upon them to do their best and that the development of the nation depended on the success of the company (Ogle, 1991: 71).

Such a system, while successful in mobilizing workers in the initial growth stages of the company, which also coincided with a period of rapid social dislocation and proletarianization and weak working class social formation, was structurally fragile. Over time workers began to realize the gulf between the paternalistic language and their everyday working conditions. Once the State system of labour control which sanctioned the particularly harsh labour process of Korean industry broke down, as it did in July and August 1987, workers fought with determination, not to make the company-dominated structures such as work teams and workplace committees function, but to create what they considered to be democratic, autonomous, worker-controlled unions (Asia Labour Monitor, 1988; Bello and Rosenfeld, 1990; Kearney, 1991).

Employers' responses to these expressions of workers' aspirations only served to heighten workers' recognition of the authoritarian nature of the system of labour relations. At the Korean plants studied by the author, the refusal of management to recognize the union only led to increased identification with and loyalty to the union by production workers. The protracted situation of strikes and occupations at Hyundai, and management intransigence, led to the emergence of worker heroes who instantly replaced the rejected image of the heroic entrepreneur. Although some sections of management in South Korea have become more accommodating, management on the whole has shown little enthusiasm for enlarging

the scope of worker participation or of humanizing the labour process. Management obstinacy inadvertently favoured the deepening of worker identification with unions and their hostility to management. Hence the possibility of a transition toward Japanese-style corporatist labour-management relations was made more difficult. The culturalist model of a naturally existing Korean form of management based on harmony and unity of enterprise social relations grounded in Confucianism, simply cannot hold up, and the construction of such a model appears remote.

## 6. KOREAN TRANSPLANTS, THE ORGANIZATION OF WORK, AND NORTH AMERICAN LABOUR

In the wake of what has been termed the Japanization of work organization and social relations of the workplace across a spectrum of North American and British industry, the growing presence of South Korean multinationals in North America has led to similar images of a "Koreanization" of production processes and relations. *nBusiness Week*, for example, published an article entitled "Korea's Newest Export: Management Style," with the subtitle, "Its U.S. Plants are Run by Egalitarians who take Pride in Being More Flexible than the Japanese" (Baum, 1987: 66). The title is obviously misleading, in that it portrays Korean management style as being egalitarian, something I have shown to be problematic. However, Korean factories in North America do tend to exhibit many of those features associated with human resource management and the organization of production of Japanese automobile transplants in North America. And the *Business Week* article is correct in suggesting that the Korean firms are more flexible, than their Japanese counterparts. The Korean transplants have generally been more open to considering and implementing alternative human resource practices, even if this may be due in part to the inappropriateness, in the North American context, of many of their inherited practices.<sup>12</sup>

Hyundai's decision to build an automobile assembly plant in North America was the result of a combination of elements. At the most general level, it forms part of Hyundai's strategy to become, in the words of a Hyundai executive, "a significant and substantial presence in the world auto industry" (*Financial Post*, 18 February, 1991).

The decision to assemble the mid-sized front wheel drive Sonata was part of Hyundai's strategy to diversify its export models and enhance its competitiveness. Hyundai Motor Company now exports to over 85 countries, but to become a major player meant establishing a presence in the North American market. This was seen by Hyundai as a way to challenge the dominance of Japanese auto makers in the U.S. imported car market (Hyundai News, December, 1988: 1). It was also a way to profit from the initial popular acceptance and success of Hyundai cars in Canada and the United States. Hyundai began exporting the subcompact Pony to Canada in 1984. In 1985 Hyundai sold 79,000 cars in Canada, making it, for that year, the largest auto importer in the country and accounting for 30% of Hyundai's automobile production (Report on Business, April 1988: 49). By 1987 Hyundai had captured 4.8 % of the passenger car market in Canada. Hyundai entered the U.S. market in 1985, establishing an import record of 168,8850 sales of the Excel subcompact. In 1986 Hyundai sold 186,000 cars in the U.S. and 264,000 in 1988.. A North American assembly plant was viewed as a way to promote identification with the product in North America. Equally important, it was seen as a way to avoid what Hyundai and other Korean *chaebols* viewed as growing the Canadian Import Tribunal in 1987 on charges of dumping causing economic injury. The panel eventually ruled in favour of Hyundai, in part because the Big Three produce few small cars domestically (Time, April 4, 1988). However, Hyundai's fear of a protectionist backlash in North America remained, and an assembly plant would go some way to avoid sanctions or the imposition of import quotas.

Japanese transplants in North America have tended to be located in greenfield sites in rural, traditionally non-union regions (Perruci, 1994: 9). Korean companies have generally followed a similar pattern. Lucky-Goldstar, the first Korean conglomerate to establish a transplant operation in North America, located its television and microwave factory in Alabama. Hyundai set up its assembly plant in Bromont, a rural, largely non-union region in Quebec. According to the Canadian Automobile Workers union, this decision was taken to keep the operation union free (Parker, 1990: 30). While this was an important objective in determining the location of its plant, Hyundai had other compelling reasons for locating in Bromont. Bromont is close to the U.S. border

and the large Northeastern U.S. market, and the transport infrastructure is well developed (interviews with Hyundai managers). There is also a large labour force in the region. Furthermore, there was an existing Industrial Park, with IBM, GE and Mitel. Hyundai acquired its 400 acre property from the Town of Bromont for the symbolic sum of \$1.00, and the municipality of Bromont provided the infrastructure. Hyundai received \$110 million in grants from the federal and provincial governments for its total initial investment of \$325 million. Hyundai later added a press shop with an additional investment of \$120 million. In addition, in 1988 the Quebec Department of Labour gave a \$7.3 million grant to Hyundai to assist in its training program over a three-year period.

Hyundai's Bromont operation was essentially an assembly plant, but more than a knock-down operation.<sup>13</sup> From the beginning it had a fully functional paint shop, probably to avoid quality problems that would result from the shipment of painted body parts from Korea. The decision to construct the press shop at the Bromont plant was again the result of several factors. Hyundai's almost annual labour problems such as strikes and occupations that led to shutdowns at its Ulsan plant since 1987 meant delays in delivery of essential parts to Bromont. But the Bromont plant had also experienced some quality problems due to defects in body parts as a result of handling and shipping from Korea. Finally, doing the stamping at Bromont would substantially increase the North American content, to 25 or 30%, from 15%, an important criteria in exporting to the United States under the terms of the North American automobile trade agreement.

## 7. THE SOCIAL ORGANIZATION OF WORK: EMPLOYEE IDENTIFICATION AND COMPLIANCE

Hyundai had various mechanisms and structures for promoting worker participation, identification with the company, and, as has been noted in Japanese transplants, for fostering high dependency relations (Wood, 1991: 571; Perrucci, 1994: 117). As with Japanese transplants, Korean companies in North America were concerned from the outset with establishing management control over and high work effort from an unknown commodity: North American labour. The challenge facing

Hyundai, however, was to socialize workers in a context where management could not rely on the same degree of State prevention of unionization and of labour control as in Korea nor on its own traditional style of highly authoritarian, paternalistic management, nor on the willingness either of Canadian employees or managers to readily accept all of the practices current in Hyundai's Ulsan factory. When members of the first groups to be sent to Ulsan for a six week training period were asked to participate in the daily company hymn, they finally explained to their Korean hosts that such displays of submission and loyalty to the company were not yet the custom in Quebec. The Korean managers were flexible and didn't insist on their participation (Le Soleil, 7 December 1987).

Korean transplants, with some exceptions, have therefore incorporated several strategies to impose their own vision of enterprise culture, beginning with employee selection. The key objective of Hyundai's hiring policy was to select employees capable of being integrated into Hyundai's philosophy and of developing a strong sense of belonging and identification with the company and its production objectives. Among these criteria was that the potential employee be able and willing to do repetitive, monotonous work on an assembly line. The prospective employee should be perseverant, tolerant, dedicated, non-individualist, and, most important, well suited to work in a team (Nadeau, 1991: 40). The Human Resource Department managers explicitly sought young people – the average age of production workers was 22 years – and those who had little or no experience in automobile manufacture. Management wanted employees who had not already been socialized into what it considered to be a particular North American kind of work organization involving an instrumental approach to work and a conflictual industrial relations system (Interviews by the author; *Le Soleil*, 11 October, 1988).

To accommodate these criteria, the selection process was lengthy and complex. In the initial large-scale hiring, candidates spent four days being interviewed, passing psychological tests and participating in hand-eye coordination experiments (Interviews by author; Nadeau, 1991: 40).

Training was of strategic importance in developing or attempting to promote loyalty, motivation, and team spirit. Several employees were sent in teams to Hyundai's automobile pro-

duction centre in Ulsan, South Korea, for training prior to the opening of the Bromont plant, and others were sent later in preparation for the opening of the Press Shop. A few of the teams participated in outdoor training meant to inspire teamwork and problem solving.

Hyundai attempted to socialize employees in such a way that promoted active identification with the company. It had a "flat" hierarchical order with just a few classifications: all production workers were classed as "technicians." Management seldom used the term employee either to address workers or in referring to workers. Rather, each employee was a "member." Almost everyone, from production workers to top management, wore the same uniform. There was one parking lot for both management and workers, and one cafeteria.

Hyundai, just as other Korean firms such as Samsung and Lucky-Goldstar as well as Japanese transplants, transferred some of its cultural and symbolic mechanisms for developing employee identification with the company, such as company uniforms and slogans (Fucini and Fucini, 1990: 104; Perrucci, 1994: 121). As in Korea, the company strongly encouraged employee socialization outside of work as well. A company-level social club organized numerous sports and cultural activities, and a wide range of employee-initiated, company-sponsored sports clubs, were active: hockey, sponge hockey, and fly-fishing. There were also golf tournaments and picnics. Once a month management organized a party for all employees who had had birthdays during that month.

Despite apparent similarities, many of the practices in Bromont, both on the shop floor as well as the extra-work social activities that it organized, were substantially different from its Korean operations. In effect, the Korean management in North America showed considerable sophistication in attempting to institute structures and mechanisms which aimed at facilitating a certain level of worker participation. However, more important than the similarity in non-work socialization such as social clubs and events, were the differences in the social organization of work and production between Bromont and Ulsan. In Bromont, the company showed some flexibility in introducing changes to respond to the characteristics and evolution of the work force. As an example of this flexibility, Hyundai's organization of team work in its Quebec operations was different than its Ulsan

plant in Korea. The teams were relatively less hierarchical and authoritarian than in Korea. Team members were encouraged to discuss any problems. There also appeared to be greater rotation of jobs within the team. Teams had a certain degree of autonomy: each team had a social budget they were relatively free to use as they chose. The differences in the conceptualization and functioning of teams at its Québec plant and at the plant in Ulsan were due probably to the different needs in socialization of workers in each locale. The generally smaller sized teams at the Bromont facility were essential both for the technical training of workers with generally little factory experience and little or no experience working in teams. In Ulsan, on the other hand, until 1987 Hyundai management was confident that high employee work motivation and commitment to the company, together with its authoritarian system, allowed the management control and employee socialization to be maintained through large teams rather than small teams.

Hyundai also developed a Direct Communication System in its Quebec plant which, while existing in a different form in Ulsan, was not modelled on its Korean operations. Each team elected its own representative to a departmental committee. Team representatives from each department met regularly, with management playing an observer role in such meetings. Most employees, at least in the early stages of this system, expected the recommendations of their representatives to be taken seriously and management was sensitive to this expectation. The company also attempted to promote communication and the creation of a motivated work force and a social community at work through a daily Newsletter. Finally, the company further promoted participation through a Health and Safety Committee, to which employees elected their own representatives. Therefore, while many similar industrial relation practices existed in its Canadian and South Korean operations, the forms they took often differed substantially. There was not a simple transfer from South Korea to Canada. Rather, management adapted social and organizational structures such as teams and the Direct Communication System, and introduced new ones, to suit the specific context of its Bromont plant.

## **8. INCOMPLETE COMPLIANCE AND IDENTIFICATION: THE STRUGGLE OVER UNIONIZATION AT THE BROMONT PLANT**

One of the primary goals of these social structures – the teams, the clubs, the newsletter, the communication and health and safety committees – was to integrate employees into the company. In so doing, however, another objective was the prevention of the formation of a union and the maintenance of high dependency relations. This did not mean that there were no problems in integrating the work force or asserting control over labour. In particular, the Canadian Auto Workers union put considerable organizational and financial resources into attempting to organize the Québec plant and had at least a degree of active and passive support among the workforce.

The company did not stand idly by while the union was organizing. One manager said that “we have always told our employees that it isn’t in their interest to have a third party negotiate their conditions.” General Assemblies were occasionally called in which the main message was management’s disapproval of unionization. One of these assemblies, on 26 November, 1991, took place during a period of intense union activity. A senior manager presented a report to the Assembly focussing on issues of concern to a number of employees, which, if unresolved, could be exploited by the union. Indeed, in its organizing campaigns the union had already raised many of the issues, particularly regarding health and safety, overtime, and transfers. The manager showed a chart listing that in 1991 there were nearly 160 requests concerning health and safety issues, of which over 100 were resolved and the remaining ones were under study. The plant’s health and safety record had indeed improved since 1991, even if health and safety concerns remained an issue for some employees. Changes in human resource policies included the implementation of the “Direct Communication System.” In 1991 there were 50 meetings of Direct Communication committees, with over 400 subjects being discussed. The Report presented to the November 1991 assembly ended with a graph indicating changes in human resource practices:

Two other new policies were transfers based on seniority and overtime paid for business trips. Additional changes included a pay increase which brought wages more in line with those at General Motor's assembly plant at Boisbriand near Montreal.

In addition to these policy changes enacted to prevent issues from becoming contentious, there were attempts to isolate activist pro-union employees. Management suspended, dismissed or transferred a number of employees who were thought to be sympathetic to or organizing on behalf of the union. The CAW/TCA intervened on the behalf of workers who were fired, claiming that they were dismissed because of their pro-union activities, and brought some cases before the Québec Government Labour Commission. In February 1991 the union was successful in negotiating an out of court settlement with Hyundai. As a result, a worker who had been dismissed in March 1990 was reintegrated with back-pay. While the level of management action against pro-union workers may not always have been as intense as in this case, some workers who were interviewed stated that there were cases of intimidation by Team Leaders. On more than one occasion, a pro-union worker was taken roughly by the collar by a Team-Leader, and told that if he brought in the union, he would be out of the company.

The company's efforts to avoid unionization were aided by the formation of a pro-company, anti-union committee among the employees. Calling themselves "The Silent Majority" this committee was formed in 1991. Not only did the committee use many of the same tactics as the union, such as leaflets and meetings, but integrated some union themes and language in its literature, in its efforts to dissuade employees from developing pro-union sympathies. One leaflet, distributed at the factory gates, claimed that "we will defend ourselves, our families, to protect our jobs and our

Table 1  
*Changes made to human resources practices at Hyundai in 1991*

Policy	Past	Amendments
Uniform		2 additional T-shirts
Attendance Bonus	weekly monthly yearly	Weekly and annual (4 payments of \$120)  <i>takes into account absence due to maternity and CSST (Health and Safety Commission)</i>
Death Leave	calendar days	working days
Maternity Leave	up to 9 months	up to one year
Parental Leave	none	Up to 34 weeks
Births/Adoptions	1 day paid	2 days paid
Overtime	takes account of regular hours	takes account of overtime hours

future." The message was that it is not the union that will protect employees' interests, but themselves, the employees, and by inference, the company. To challenge the image of the union, the committee claimed that a number of employees and their families had been harassed and intimidated by visits of union organizers to their homes.<sup>14</sup>

If the union is not there to represent workers' interests, what is it there for? "The union needs money, a lot of money, and there is only one way to get it: from our pockets!" The leaflet went on to say that, if Bromont becomes unionized, each employee will loose two and one half hours of pay a month in union dues, or 30 hours a year:

This would be like working for nearly one week without being paid, or cutting one week from vacation pay! In this way, the union would collect a half million dollars from our pockets each year. For the union, it's like buying a lottery ticket and being guaranteed of winning each time, *only it's us who will be paying for the ticket!*

The argument that the union was only interested in taking money out of the pockets of workers was in turn linked to other anti-union argu-

ments designed to dissuade employees from signing union cards. "Why does the union want money? Because it has lost thousands of members through plant closures." The message is clear: the union cannot protect jobs. Rather, so the committee's literature claimed, several of these plants have closed because of the CAW/TCA. One of the Committee's flyers, this one entitled "Young, But Not Stupid!" repeated the theme of plants closing because of the union: "they [the union organizers] won't tell you about what they've done in the past, about how they closed factories and companies in the four corners of Québec; about factories that were going well before they came. *Don't let them do the same thing to Bromont.*" Given the economic climate in Québec and the disappointing sales of the Hyundai Sonota in North America, such an argument was quite persuasive. Elsewhere in its literature, the committee took up the theme of job security:

"How can they [the union] have any credibility in the factory when they promise us absolute job security at the same time that we can read in all the newspapers about the dozens of factories with CAW/TCA unions close their doors or do massive lay-offs?"

The committee claimed that in contrast with workers being laid off in auto plants where the CAW/TCA was represented, Hyundai had hired new employees and opened a press shop, and that no regular employee had ever been laid off at Bromont. Ironically, Hyundai later introduced periods of a reduced work week and finally in September 1993 shut the plant indefinitely.

In addition to these arguments the Silent Majority committee took up a management theme current in both North America and in South Korea: the union as an outside force. "If we were unionized by the CAW-TCA, what weight would we have in this union that comes from Toronto?" The committee's literature drove home the point that the union would certainly protect the interests of its Ontario members and members of the Big Three before protecting Bromont workers.

Finally, the committee drew upon and reiterated themes used by management to create employee identification with the company and high dependency relations. In the leaflet addressed to young employees one could read:

If this is your first full-time job, think for a second of your luck:

- a salary and benefits that place us among the best paid workers in the region;
- a clean and safe work environment;
- the challenge of working in a team, with ultramodern equipment and high technology;
- Opportunities for training and a promising future that the Hyundai family offers us.

In the anti-union drive, these themes became linked to the theme of the union as outsider and the danger of a non-profitable (unionized) plant:

What we need, we certainly know better than strangers who come from the outside: work in teams to build quality automobiles, that is what is important; and that the consumer gets value for his money. That way, the Bromont factory will become profitable, and that will guarantee our future.

If the Bromont plant was relatively successful in avoiding unionization (at the time of the plant closure in September 1993, the CAW/TCA claimed that it had wide support among the employees), it was due in part to a certain number of anti-union tactics by management and to fear and anxiety on the part of some employees over the possibility of losing their jobs. However, these reasons do not explain the complexity and ambiguities of worker sentiments. Rather, the failure of unionization was due in some measure to management's strategy of promoting a real - even if limited and uneven - worker participation. Like its Korean operations, this participation was organized in part around social activities outside the shop floor which sought to promote both a sense of team work as well as identification with the enterprise. Despite incongruities, a greater level of shop floor participation existed in its transplant operation. Quite apart from fearing to lose their job, or from being convinced by the anti-union arguments and tactics of management and the Silent Majority committee, a large number of workers believed that the organization of work and the representation of their interests were best served without the presence of a union, even if they had complaints. As such, one of the ironies of the Hyundai transplant was that it had greater success in integrating North American workers into the company than Hyundai had in integrating Korean workers in its South Korean operations.

Nevertheless, the structures and philosophy of participation, integration, and identification remained limited and partial, and employee compliance was incomplete. In particular, there was a lack of fit between management discourse, management policies aimed at participation, and management practice. Management responsiveness and flexibility to some worker concerns and its introduction of changes in organizational and industrial relations practices tended to be mitigated by what some workers perceived to be management inflexibility and heavy-handedness over other issues.

More serious perhaps in limiting the effectiveness of policies aimed at participation, identification, and compliance, was that they were unevenly and erratically implemented on the shop floor. Many Team Leaders were perceived as being distant from Team members. Several employees from different teams and departments, and representing a cross-section of opinions regarding the union and unionization, affirmed that they regarded their Team Leaders as foremen. The visibility of hierarchical and to some degree authoritarian control undermined the objective of loyalty and the promotion of a participative organization. As one employee told the author,

there are some good Team Leaders, but there are others who have a power trip. They don't listen because they see themselves as the boss.

This pattern of social relations undermined production objectives as well. Very few Team Leaders had any experience in automobile production prior to Hyundai. Several workers interviewed individually by the author said that Team Leaders often could not respond adequately to their inquiries when production or quality problems arose. This also undermined the autonomy of the Team, and its capacities to resolve problems and to engage employees in continuous improvement and learning.

## 9. DISCUSSION

Since the mid-1980s social science discourse and research on work and industry has been increasingly oriented by a cultural paradigm which sees the enterprise as a cultural entity and national patterns of industrialization and industrial organization as being interdependent on wider societal relations and cultural values. This orienta-

tion potentially represents an advance over the schema articulated by Braverman. In Braverman's schema of the labour process, management is driven by one simple motive, and all management strategies to organize the labour process are determined by the drive to control. New methods and strategies of management are no more than elaborations of Taylorist-Fordist modes of organization, in which work is increasingly fragmented and routinized, workers are deskilled, and labour-management relations are reduced to one basic dynamic, that of mutual opposition. Braverman's schema radically denies the cultural organization of production and production relations. The history of the labour process is replaced by a mechanical unfolding of an inherent, and therefore ahistorical, logic.

By analyzing the labour process and the organization of work as being culturally organized, the cultural paradigm has the potential of avoiding the determinism and reductionism of Braverman's schema. The organization of production, management strategies and their implementation, and social relations at work, are culturally mediated. The cultural paradigm, in some of its variants, also has the potential of replacing the Euro-American-centric model of the genesis and evolution of industrial organization with the recognition of the possibility of alternative modes of organization of the labour process and labour-management relations based on specific national cultural characteristics. This orientation also recognizes the possibility of developments in work organization and labour-management relations that involve greater employee participation in production and industrial relations based on the search for consensus.

However, as this case study shows, the cultural paradigm, as it has generally been articulated to date, is inadequate, both in conceptual soundness and empirical evidence.<sup>15</sup> Theoretically and politically, its source lies in a generally uncritical acceptance of contemporary management discourse which espouses the benefits of participation and consensus in developing competitive, dynamic enterprises. The common denominator in this supposedly new management discourse is that it seeks to erase the existence of differing interests by subsuming them to the supposedly communal - and therefore higher - interest of the enterprise. United by the enterprise culture, there is then no need for collectivities within the enterprise to have their own organizational forms of representation.

The empirical validation of the paradigm rests on the extent to which participation and a redistribution of effective power within the enterprise actually occurs. Yet, here, the evidence is distinctly wanting, especially when seen against the managerial discourse espousing participation. Given the uneven and ambiguous record of participation, much of the inspiration for the possibilities of a participatory workplace encompassing Post-Fordist human resource management and work organization remains limited to a relatively small number of cases. Moreover, much of the evidence for participation is based upon interviews with or questionnaires of management.<sup>16</sup> There could be distinct gaps between management's and employees' perceptions of participation. Some comparative ethnographic research has indeed documented such perceptual differences and revealed cases where management unilaterally did away with participative schemes when they felt threatened by employees' increasing articulation of their requests under such schemes (Wells, 1987).

Within the framework of the cultural paradigm, East Asia and East Asian industrial transplants are presented to us through the filter of their being culturally distinct; the secret of their success being the interdependence between culture and the enterprise. Yet the foregoing study points to the dangers of an predominantly cultural analysis of management, work organization and labour relations. This cultural model of East Asian industrial organization is largely ahistorical and essentializing. It presents work organization and labour-management relations as if they flow naturally out of supposedly ingrained cultural values, rather than being the result of struggles, oftentimes intense and violent, to establish the norms of operation regulating production relations. By and large, the so-called traditional, pre-industrial cultural values have an influence on industrial relations because they have been ideologically appropriated by management to legitimize itself, not because they are somehow naturally reproduced in the consciousness of workers. Even gaining worker acceptance of such values has required sustained effort on the part of management and the State. Dorinne Kondo's remarkable ethnography of a Japanese company is particularly eloquent in depicting how cultural meanings of work and work organization are constructed:

The *shacho* [president] had the power to impose his reality on others and to enforce his definitions of that reality, and workers who contested

his deployments of meaning risked their jobs in so doing (Kondo, 1990: 207).

Cultural definitions are conditioned by diverse interest groups and the relations of power between them.

As regards the transplants, the present study reveals that the image of "Japanization" or "Koreanization" of labour relations and work organization that is apparently associated with transplants reduces the complexities of the processes actually taking place. To assume that a simple transfer of management practices, ideologies and discourse will be sufficient is encouraged by, and in turn reinforces, the myths that such practices are culturally-based and that they are as they should occur in the countries of origin. There is often a dynamic evolution of management, which may be partially based on cultural traditions but is centrally influenced by the problems facing management in organizing production, in establishing control, in socializing workers, and in imposing its definition of reality as the culture of the organization. For the majority of transplants other than those that are joint ventures with, or the result of, acquisitions of existing North American companies, a vital component of establishing and maintaining control is the prevention of unionization. However, coercion and a unilateral management hegemony over social organization by no means constitute the only mechanisms, nor even the dominant mechanisms, of control. The often ambivalent and ambiguous responses or outright opposition by North American workers to unionization of transplants is due, in part, to their comparison of the traditional forms of organization of work and industrial relations characteristic of North American industry, with the tangible, if often exaggerated, advantages they feel they have in the transplants.

At Hyundai, the organization of production and of labour-management relations changed some of the classic conditions of Taylorism and Fordism. In particular, the organization of production around the team potentially realigns, without eliminating, the traditional division between the office (where the planning and intellectual labour is carried out) and the shop floor. Each team had its own office, which also served as a social space, right beside the assembly line. Second, employees were not simply subjected to management authority in the division of labour and carrying out of work tasks. There was the potential, even if

restricted in practice, to plan and participate. The importance here is that this form of organization had attempted to overcome, or at least address, one of the classic problems for management of Taylorism, which Donald Roy (1959) and other sociologists in the 1950s so eloquently described, that is, the autonomous informal work group with its own sub-culture. In contrast, an organization of work which encourages worker participation and identification with the company represents a managerial effort to penetrate worker culture and to harness it on behalf of the organization (Perrucci, 1994: 12).

Some theorists of Japanese transplants claim that Japanese industrial organization and management systems excel in raising productivity and in promoting high work commitment. In particular, the work team is seen as the key to the success of transplants in achieving production and organizational goals (Kenney and Florida, 1993; Womack et al. 1990). By organizing production in teams, Hyundai, like other Korean and Japanese transplants, attempted to integrate workers into the company and put the creativity of the work group to the service of the company. But this integration remained incomplete. Work itself remained organized along Taylorist principles to the extent that there was a minute division of tasks and work was subject to speedup, engineering and intensification.<sup>17</sup> This Taylorist organization of work was the source of numerous complaints by production workers and rendered problematic management's construction of their identification with and loyalty to the company.

Further adding to the incompleteness of employee compliance, identification, and loyalty was the fact that the rearrangement and relative "flattening" of the social hierarchy within the factory and the system of welfare corporatism remained uneven and contradictory. While management encouraged workers to put their creativity to the service of the company and to identify with the organization, management was highly intolerant of alternative visions of the organization and production, and opposed alternative forms of interest representation, other than those which it determines. However, teams, as the case study of Hyundai and a number of case studies of Japanese transplants show, often remain the sites of worker resistance and contestation (Perrucci, 1994: 118-123; Fucini and Fucini, 1990).

Neither the advantages of nor the so-called Japanese or Korean methods of sponsoring worker loyalty and identification with the company are sufficient to completely eradicate tendencies toward autonomous worker organization at the transplants. Such autonomous social organization can involve informal groups or cliques, or it can involve workers attempting to use the formal team organization to reclaim or reconstitute an informal autonomy from the official culture and management control. It could involve formal organizations, namely, trade unions. Yet, North American unions have not been able to convince a majority of employees in most transplants of the benefits of unionization. And it would appear that organizing campaigns that focus on denouncing working conditions and worker-management relations in these plants generally fail to win the support of a majority of employees. As with Taylorism and Fordism, the transition to the post-Fordist era, or at least the current restructuring of work and the social relations of work, reveals a complex situation marked by diversity, ambiguity, and contradictions. As is often the case, our theoretical and research work lag behind the changes transforming work and organizations. However, we would do well to avoid accepting management discourse on organizational change as fully representative of reality.

## Notes

- 1 The research on which this paper is based was part of the author's Canada Research Fellowship (SSHRC) project on organizational culture and labour-management relations in Korean industrial organizations. The research involved participant observation in Hyundai in South Korea and in Quebec. The author wishes to thank the SSHRC for its support, Bernard Bernier for his continuing encouragement and critical insight, Culture's anonymous reviewers for their diligent work, and, especially, the managers and workers at Hyundai who were so generous in their time with and assistance to the author.
- 2 Braverman's work also inspired a number of anthropological studies of informal social organization and informal forms of worker resistance to management. See, among others, Lamphere (1979), and Sapiro-Perl (1979).
- 3 Just-in-Time production is a system whereby factories receive parts and components from suppliers only when and as required. It reduces storage costs and contributes to efficiency of work in process.

- 4 There is an ever-expanding management literature expounding the merits of corporate culture in constructing harmonious labour-management relations and a committed, loyal workforce. See, for example, Charles Hampden-Turner (1990).
- 5 See, for example, the special issue of *Anthropology of Work Review*, Vol. X, No. 3, (Fall, 1989), on "Anthropological Approaches to Organizational Culture."
- 6 This is a trans-Atlantic phenomenon. For examples of how the culture paradigm has impacted on French social science approaches to the study of work, see, for example, special issues of *Travail* (Hiver, 1991-92, No. 24) and *Critique régionale* (1989: No. 17).
- 7 For a fascinating and sophisticated critical examination of corporate culture based on ethnographic fieldwork, see Gideon Kunda (1991).
- 8 Tony Elger and Chris Smith (1994) have put together an edited volume of case studies and theoretical contributions which explore the diffusion of Japanese work processes while avoiding an uncritical acceptance of either Post-Fordist models or of cultural models of industrial organization.
- 9 Choong Soon Kim (1992) has written an ethnographically informed account of Korean industrial organization in which he essentially accepts a cultural explanation of worker behaviour. For a critical anthropological analysis of the cultural model of Korean work practices and organization, see Roger L. Janelli (1993).
- 10 Among other sources on Korea's labour history and patterns of industrial relations, see *Asia Labour Monitor* (1988).
- 11 Alice Amsden (1989), one of the most rigorous studies of Korea's industrialization, which also contains an extensive discussion of Hyundai motor company, is regrettably brief and vague on questions of industrial relations.
- 12 Among the growing number of studies of Japanese industrial transplants in North America is that by Martin Kenney and Richard Florida (1993). A recent collection by Japanese scholars is to found in Tetsuo Abo (1994). For a more critical study than either of the above, refer to Ruth Milkman (1991).
- 13 In the international automobile industry, knock-down operations are assembly plants in which all the parts are imported or brought in from other plants. There is no local production of parts or components or transformation of materials in knockdown plants.
- 14 Given the difficulties unions have in conducting and organizing campaigns, and the threat of dismissal of workers identified by management as pro-union, it is common practice in Canada for union organizers to visit workers in their homes.
- 15 One Exception is Kunda (1991), in which social hierarchy is given a prominent place in the analysis of management's efforts to build corporate culture. Another is Kondo (1990).
- 16 Among other researchers presenting evidence for participation based on interviews with management rather than interviews with a cross-section of organizational members is Michael Piore. In a recent article on the organizational effects of Information Technology, Piore (1994: 43) argues that there is a revolution taking place in managerial practice, in which communication between subordinate levels within the organization is increasing substantially and the hierarchical structure of the organization is becoming flatter. This might be the case, but it would seem to be difficult to substantiate, based as it is on such limited research.
- 17 This is largely supportive of Daniele Linhart's (1992) argument to the effect that the internal functioning and the social relationships within French firms are being altered, associated in part with the implementation of participative management, but that the organization of work remains heavily influenced by Tayloristic principles.

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