Exploring Talent Management and Gender Diversity in the South Korean Workplace

Esin Yurdagul (Germany)
The Goethe University Frankfurt, Institute of Cultural Anthropology and European Ethnology & East Asian Studies

Abstract:
In an ever more competitive world, strong talent-management practices are strategic human resources imperative to gain benefits from their human capital and managing gender diversity also contributes to the nation’s wellbeing and status of women in talent management. However, the lack of women empowerment and gender diversity is a core issue of talent management that requires more diverse perspectives and skills. This paper reveals the importance of a gender-diversity in Korean business environment that is shaped by a strict form of neo-Confucianism and leadership imbalances in talent management.

Introduction:
Talent Management: Talent management is referred to as “the anticipation of required human capital for an organization such as ‘corporations, governments, non governmental organisationns, international organisations, armed forces, charities not for profit corporations, partnerships, cooperatives, universities, and various types of political organisations’ and the planning to meet those needs.” (Wikipedia) The general notion of talent management was originated from World War II.¹ But it became a strategic imperative when McKinsey & Company, America's largest and most prestigious management-consulting firm, referred the human resource to “War for Talent” in 1997s and 1998s² which awoke to “the realization that talent shortages were increasingly becoming one of the biggest human resource concerns for multinational corporations”³ and announced publicly that “better talent is worth fighting for.” (Chambers et al., 1998: 45)⁴ Talent management is under the obligation to continuously “train and develop high performers for potential new roles, identify their knowledge gaps, and implement initiatives to enhance their competencies and ensure their retention.”⁵ In general, talent management practices are involved with “developing strategy; identifying talent gaps; succession planning; and recruiting, selecting, educating, motivating and retaining talented employees through a variety of initiatives.”

Although the lack of women empowerment in management is addressed, it is still not evident in what way organizations shift from programmatic gender diversity to systemic gender diversity. However, PMI’s (Project Management Institute) Pulse of the Profession In-Depth Report reveals that “talent management explores the link between alignment of talent management strategy to project management performance and organizational success.”

Despite of the lack of conclusive evidence, some studies have demonstrated that “a positive correlation between companies with more women in senior leadership and boards of directors and better than average financial performance.” On account of corporate philanthropy, a similar correlation also demonstrates that “companies with more women board directors are more philanthropic, showing a higher level of contribution and bringing a gender lens to philanthropic decisions” and that “companies with women in upper levels of management were in the top quadrant of performance and profitability.”

Talent management and gender diversity: A gender-diverse workforce is generated and maintained by an effective talent management to improve business performance. Women’s different perspectives contribute to “gender-diverse teams than homogeneous ones across the large number of different tasks.” South Korean neo-Confucian ideology is tightly associated to the gender roles’ division. Their position in society and families are distinctly comprehended by the Korean people. Due to its non-existence of “rigid class society”, the Korean society may be attributed to “an open society.” However, one can clearly perceive particular gender discrimination in the workforce and in Korean society. Discrimination of

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women in Korean society is even today a very real problem not only in the South Korean economy but also the Asian and global economies and women cannot be easily successful in organizations, even though equal opportunities have been possessed by everyone who works hard and has a high capability and sexual discrimination legislation- the Equal Employment Act of 1987- was enacted.

Moreover, it is almost impossible to be appointed to top positions with the exception of teachers and professors, or female-dominated professions such as nursing. Women are not preferred to be recruited by not only family-owned large companies but also other organizations for upper-management positions. In addition, marriage of many female workers is attributed to a resignation or retirement from her job with the exception of teachers and professors in educational institutions, or nursing. Therefore, women marry later or not at all. “After all, South Korea is a high power distance, collectivist nation, where some of these more traditional (hierarchical) talent management practices are consistent with the cultural fabric.”

Thus, there exist many impediments to women empowerment in management and those impediments are divided into the two categories: structural and attitudinal obstacles women seriously face. Structural impediments are associated with the male-dominated hierarchical corporate structure that discourage women from further promotion prospects and the lack of transparency in the assessment, selection and appointment of managers. Attitudinal impediments are based upon neo-Confucian male preference, privilege, and dominance, since Korean men refer women to supporters than managers or decision-makers. Lack of organizational transparency, the “so-called nepotism or the old boy network” of Korean corporate governance, and neo-Confucian hierarchical male-centered gaze are associated to not only the negative influence on economic growth but also to the obstacles women withdraw whereas they tend to make great efforts to utilize their talents to the fullest capacity. Table 1 demonstrates that the percentage of employment by occupation and sex in 1983 and 1990. Since the government’s increased emphasis was placed on equal employment opportunities for women in 1990s, discrimination of women was to some extent reduced, by reason of a severe labor shortage in South Korea. For instance, the government prosecuted

companies which created a newspaper advertisement to recruit male applicants to a position than appropriately qualified women applicants. (Male Only 1990) Thus, business organizations and non-business organizations did initiate a new trend in Human Resources Management (HRM) by employing married women.

Table 1\(^{16}\): Employment by occupation and sex (percentage)

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<tr>
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<tbody>
<tr>
<td>Professional and Managerial</td>
<td>7.3</td>
<td>9.6</td>
<td>4.1</td>
<td>8.4</td>
<td>6.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Clerical</td>
<td>11.3</td>
<td>14.6</td>
<td>9.2</td>
<td>13.9</td>
<td>10.5</td>
<td>14</td>
</tr>
<tr>
<td>Sales</td>
<td>13.4</td>
<td>13.7</td>
<td>18.7</td>
<td>18.8</td>
<td>15.5</td>
<td>15.6</td>
</tr>
<tr>
<td>Service</td>
<td>6.6</td>
<td>7.7</td>
<td>15.4</td>
<td>18.6</td>
<td>10.1</td>
<td>12</td>
</tr>
<tr>
<td>Agriculture and Fishery</td>
<td>27.5</td>
<td>14.1</td>
<td>32.5</td>
<td>12.5</td>
<td>29.4</td>
<td>13.5</td>
</tr>
<tr>
<td>Manufacturing and Transportation</td>
<td>33.8</td>
<td>40.8</td>
<td>20.1</td>
<td>27.8</td>
<td>28.9</td>
<td>35.8</td>
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Table 2 and Table 3 demonstrate the current state of knowledge on the gender division of labor in management. By comparison with Table 1, 41% of Korea’s workforce was comprised by women. However, Korea’s female managers make up less than 5% of workforce in Korean society and the percentage of women in management still accounts for less than 5% since 1985, and the gender wage gap has gained more attention than the gender division in management.

Table 2\(^{17}\): Percent of Women Managers at each level of management

<table>
<thead>
<tr>
<th></th>
<th>Total Employees</th>
<th>Women Employees</th>
<th>Percent of Women (Aggregate data)</th>
<th>Percent of Women (Firm average)</th>
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<tbody>
<tr>
<td>Manager</td>
<td>59,073</td>
<td>1,539</td>
<td>2.6</td>
<td>6.4</td>
</tr>
<tr>
<td>Head of Dept.</td>
<td>20,031</td>
<td>221</td>
<td>1.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Executive</td>
<td>7,470</td>
<td>142</td>
<td>1.9</td>
<td>2.6</td>
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\(^{16}\)Source: Economic Planning Board, 1990; Note: Figures in 1990 were as of February.


\(^{17}\)Source: The Korea Labor Institute’s 2002 National Establishment (With a total sample size of 1,443 personnel managers).

Table 3\textsuperscript{18}: Women Managers in Korean Companies

<table>
<thead>
<tr>
<th>Women Managers</th>
<th>Companies</th>
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<tbody>
<tr>
<td>No Women Manager</td>
<td>901 (64%)</td>
</tr>
<tr>
<td>One Women Manager</td>
<td>478 (32%)</td>
</tr>
<tr>
<td>Two or more Women Managers</td>
<td>64 (4%)</td>
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</tbody>
</table>

By comparison with organizations recruiting a single women manager, organizations with at least two women managers have minimized talent loss and gained more markets shares and benefits. With regard to benefits of “talent development and executive succession, companies with three or more women on their board five years later have more women in senior leadership, including in operating roles,“\textsuperscript{19} those organizations that are committed to achieve gender equality in their talent management practices are “more disciplined with their commercial emphasis, their accountability mechanisms, their governance processes, and their selection for higher-level appointments, their leadership development and sponsorship. They are innovative and use systems change methods, and are anything but complacent. Their advice is clear: embed and blend gender inclusion into the business, creating people and client synergies.”\textsuperscript{20}

Due to the women’s perspectives and contributions, those firms have created more innovative policies in business environment. But, South Korean male-centered hierarchical culture in business and government may be considered as the most difficult obstacles and arduous struggles women face and thus women are deterred from interconnecting as components in organization. Korean women are one of the most highly educated women in the world, properly qualified and express themselves fluently and coherently. However, they remarkably lack leadership and decision-making capacity in management and have not been appointed to the position of managing. Furthermore, by comparison with college-graduate women, non-college graduate women are preferably recruited by Korean companies since it is believed that they are disposable, very challenging, and assiduous to perform duties or services for organization. In particular, the tight old boy networks dissuade investors and women from the

\textsuperscript{18}Source: The Korea Labor Institute’s 2002 National Establishment (With a total sample size of 1,443 personnel managers).


http://iveybusinessjournal.com/topics/the-organization/women-in-the-pipeline-next-practice-actions/#VM-e1dKGJk
field of management. As a result, similar male perspectives and contributions lead to talent loss and imbalances of creativity and efficient innovations and women not being fully comprised in the workforce are also described as a costly obvious waste of human resources. At least there is still some small hope. For instance, South Korea’s first female president in the political leadership may be referred to as a positive sign for the females. “After years of work and lobbying, changes were made in the electoral system and thirty two women were elected to the National Assembly in 2004. With the seven continuing women members, the total of thirty nine women brought the percent of females in the assembly from 6% to 13.3%, comparable to the United States percentages, an amazing achievement in one election cycle. In January 2005 another woman replaced a male legislator bringing the total to forty women and the percentage to 13.4%.”\(^{21}\) In addition, young people and some adults broadly give support to improve gender equality in business culture and think of the lack of “traditional rigid education system” in the world that changes much more rapidly than we realize and now universities and organizations also provide women leadership development programs, and innovative economists embody “the latest theories of innovation and creativity with the more traditional thought and discipline of economics” in focusing on the fundamental structure of the South Korean economy.\(^{22}\)

**Conclusion:** The absence or lack of gender inclusion into management may be based upon unconscious bias of human being. This is typical human nature to make a difference between things or people. However, even unconscious attitudes or mindset does not influence on not only the individual but also cultural mindset and business objectives and aims. There are nuances among women and men and organizations need to find a good solution to integrate gender diversity in management to change attitudinal norms in the business environment and society. For Korean women, their roadblocks are unlocked by both structural and attitudinal obstacles women seriously face and men are considered as the main reason of women’s empowerment in management. Organizations that pay more attention to these facts will manage gender diversity well and take an advantage of an opportunity to utilize women’s talents in management. Closing gender gaps contributes to not only the process, policy and practice of creative economy but also greater transparency in corporate governance practices in Korea. Although this may be considered as the real change process, the core issue of


women empowerment and gender parity shall legally be resolved by enforcing laws and regulations that provide a new perspective on the barriers that influence Korean women promotion in management. However, by comparison with the government bureaucracies, they still struggle with the lack of resolution to issue of gender diversity and women empowerment in management. If all Korean corporations drive gender diversity and transform the company’s traditional culture by recruiting at least two women managers and decision-makers, then they achieve to minimize women’s talent loss in the workplace and help women balance work and family. As a result, this also provides a better solution to the ageing workforce and creative economy and an imperative to well being of people and nation and status of Korean women in management. When one considers the costs of the lack of women empowerment and gender equality in talent management, it is hoped that Korea acknowledges its own costly ignorance and represents a further step in connection with rapid change.