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Failure Experience: Talented Self-Initiated Expatriates in South Korean *Chaebol* firms

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Abstract

The last fifty years has seen a marked growth in interest in the field of International Human Resource Management (IHRM), in part driven by increases in the scale and complexity of Global Migrant Employees (GME) during this same period. However, the phenomenon of Self-Initiated Expatriates (SIEs) has remained relatively under-explored, both in general and more specifically from the perspective of talent management (TM). This research comprised 55 semi-structured interviews with talented, self-initiated expatriates (T-SIEs) from developed countries and their local co-workers in South Korean *chaebol's keyeol* firms. Its findings reveal significant tensions between T-SIEs and their local co-workers as a consequence of stark differences in their respective benefits packages, the impact that the provision of additional support to T-SIEs has on their colleagues, and the failure of T-SIEs to fully adopt to and embrace elements of local working practice. The study also found that *chaebol's* peculiar corporate governance system and its emphasis on strong familial ties had significant ramifications for T-SIEs', both in terms of their subsequent career development and their perceived professional 'success' more broadly. The study concludes that one potential mechanism, which Chaebols may use to overcome these issues, involves amending their TM strategy to focus on recruiting younger foreign talent already located within South Korea.

Keywords: Self-Initiated Expatriates, Talent Management, *Chaebol*, *Keyeol*, South Korea, Exclusiveness, Confucianism, Collectivism, Fairness, Isolation

1. INTRODUCTION

Globally Mobile Employees (GMEs), also referred to as ‘expatriates’ or ‘international assignees’, have been highlighted as an important source of culturally competent managers, capable of increasing a firm’s competitive position and supporting their global business growth (Caligiuri and Bonache, 2016). However, the context for GMEs has changed dramatically over the decades. Historically such arrangements were commonly centralized and headquarters-driven, involving the dispatch of expatriates to local host countries’ branches (Caligiuri and Bonache (2016). However, with the unrelenting growth of the Japanese automobile and electronics sectors (Ouchi, 1981, Tsurumi, 1978), expanded target market scopes and increased global competition, processes for the selection of GMEs have diversified markedly (Cascio and Aguinis, 2008, Brewster et al., 2014).

GME typically refers to any individual who is relocated from one country to another by an employer, most commonly from a context of familiarity (e.g. their home country) to one of greater novelty (a host country) for a fixed period of time (Caligiuri and Bonache, 2016). By contrast Self-Initiated Expatriates (SIEs) are hired individually on a contractual basis and not transferred overseas by a parent organization (Lauring and Selmer, 2018).

The last thirty years has seen a marked increase in SIEs, which in turn has been reflected by growth in academic interest (Tharenou, 2015, Brewster et al., 2014). Indeed in a systematic review of published articles, Cascio and Boudreau (2016) found an eight-fold increase in articles focused on SIEs during the 1990s and 2000s.

In the decade which followed, attention shifted away from expatriates per se to the wider issue Talent Management (TM) (Cascio and Boudreau (2016) and the ways in which GMEs contribute to increased global competence (Dries, 2013). However despite the recognition of the need to combine these two themes, this aspect of TM remains largely unexplored, with individual micro level TM (Festing and Schafer, 2014) and the work experiences of SIEs (Hussain and Deery, 2018) both particularly neglected.

This paper seeks to address this lack of research in part by examining the work experiences of talented SIEs in South Korea (hereafter Korea), to understand further the difficulties they face in a variety of alternative situations (Caligiuri and Bonache, 2016).

Korea provides a valuable backdrop to this issue for several reasons. Firstly, the economic importance of Korea has, alongside a variety of other non-Western countries, grown significantly since the 1980s. At the same time, the emergence of Multi-National Companies (MNCs) from such countries (e.g. Samsung in Korea), has seen a diversification of global headquarter locations (Caligiuri and Bonache, 2016, Coopers, 2010) and a move away from the ‘non-problematic’ transference of American management approaches (Cascio and Boudreau, 2016), (Guillén and García-Canal, 2009, Harzing, 2001). Furthermore, while a significant amount of research on SIEs and TM has been conducted in China and India (Cooke et al., 2014), little attention has been paid to these topics in Korea (Froese, 2012, Kim and Scullion, 2011).

The remainder of this paper is organized as follows. The following section provides an overview of the SIEs, TM and Korean context related literature, followed by a section on methodology. The findings are then presented and discussed. This paper ends with a series of

implications, limitations, recommendations for future research and a conclusion.

2. LITERATURE REVIEW

Talent Management approaches

In broad terms, two principal approaches for TM can be identified: these are *exclusive* and *inclusive* approaches (Gallardo-Gallardo et al., 2013).

The *exclusive perspective* assumes that not all employees in an organization can genuinely be considered as ‘talent’, and talent itself is a commodity which who are scarce and relates only to exceptional high performers (Thunnissen et al., 2013, Gallardo-Gallardo et al., 2015). Cascio and Boudreau (2016) for example highlight the contribution of such ‘star players’ (Groysberg, 2010, Aguinis and O’Boyle Jr, 2014) within financial services and knowledge based industries, and note the positive impact they can have on the performance of others, either directly or indirectly.

Within the exclusive approach, organizations treat ‘talented’ employees differently to their ‘normal’ counter-parts through strategies of segmentation and differentiation - opposite notions to concept of ‘egalitarianism²’ (Chuai et al., 2008). This approach was popularized by McKinsey, who pioneered the view that a small number of individuals who could make a big impact on organizations (Marchington et al., 2016) and that segmentation should be a fundamental element of TM (Ledford and Kochanski, 2004).

Exclusive TM based scholars discovered that successful organizations predominantly subscribe to this ‘talent segmentation’ and no company can be all things to all people (Chambers et al., 1998) and classification of employees is one of the ways to practical labor economics (Lin, 2006).

In contrast, the *inclusive approach* can be characterized as more egalitarian, holistic and humanistic, where ‘everyone’ has capabilities and contributes to the organization (Ashton and Morton, 2005, Lewis and Heckman, 2006, Chuai et al., 2008, Iles et al., 2010). In this context, talent can be viewed to refer to the entire employee population (Silzer and Dowell, 2010) as it assumes within each individual is a unique talent, potentially present from birth (Buckingham and Vosburgh, 2001). Supporters of the inclusive TM approach opine that intangible elements such as commitment, engagement and aspiration are also important to organization growth as well as tangible performance (Thunnissen et al., 2013).

Characteristics of SIEs

Caligiuri and Bonache (2016) found SIEs tend to be driven by family needs (e.g., the relocation of a partner or spouse) or personal goals (e.g., the desire to pursue personal career) (Yan et al., 2002). Similarly, in their survey of 2,608 New Zealand national SIEs living overseas (Thorn,

² Egalitarianism: the belief that all people are equal and should have the same rights and opportunities, and to actions that are based on this belief (Collins Cobuild Advanced Learner’s English Dictionary, 2009)

2009) found that a desire to experience alternative cultures along with enhanced career prospects were the dominant motivation factors. Suutari and Brewster (2000) found, in their study of 448 Finnish expatriates, that interest in internationalism, new experiences, and professional development were the most important motivating factors. Studies of SIEs moving to the United Arab Emirates have found salary is of foremost importance (Randeree, 2009, Alnajjar, 1996), and this is most compelling when it coincides with individual's personal values and career goals (Richardson and McKenna, 2006).

Challenges facing SIEs

Only a few studies consider how the work experiences of self-initiated expatriates might affect organizational turnover. SIEs invariably undertake a more intensive period of adjustment as they enter a new organization, located within different cultural contexts in foreign countries, which may potentially be expected to have an adverse effect on turnover (Peltokorpi and Jintae Froese, 2009). In addition, (Froese, 2012) found that SIEs often reported less job satisfaction, in part because they often felt they received insufficient support at work.

Several studies examine the material impacts of being an SIE. For instance SIEs have to utilize their own resources to live and work abroad (Bozionelos, 2009) and these greater financial challenges imply greater levels of uncertainty and risk (Andresen et al., 2014). Unlike other GMEs, SIEs do not benefit from relocation allowances or support (e.g., housing or other types of assistance) by companies to better integrate into unfamiliar surroundings and this lack of support from hiring organizations can be challenging (Suutari and Brewster, 2000, Richardson and McKenna, 2002), and leave them in a weak position (Lauring and Selmer, 2018).

However, it seems likely that differences will exist in the experiences of migrants, for a variety of reasons. For example, we can hypothesize that SIEs identified as 'talented' (T-SIEs) may be viewed as a more precious commodity by their employer and as such likely to receive preferential treatment. However, this specific aspect of T-SIEs experience appears not to have been researched to date, and so forms the first research question for this study:

Research question 1. To what extent are talented SIEs well supported by the new organizations that recruit them directly by HQs?

Tension between Talent and non-Talent

TM scholars identify a variety of potential dangers from adopting the *exclusive* model of Talent Management. Foremost amongst these is that focusing scarce resources upon the few (Marchington et al., 2016), can often create tensions between alternative groups of staff, and threaten accepted norms of equality, diversity and fairness (Harris and Foster (2010). (Beardwell and Collin, 2014) for instance note that by focusing on individuals rather than teams, exclusive TM strategies can undermine trust relations in the organization. Similarly, Gladwell (2002) and (Pfeffer, 2001) suggest that a greater focus on TM at the team level helps avoid unproductive rivalries and internal competition, potential negative messaging concerning the capabilities of those not identified as 'special' and ensures greater opportunity for all.

Considering the points made in the previous subsection, understanding the significance of context and culture within this is important in helping to identify strategies most likely to positively impact on organizational competitiveness. Thus, this gap forms the second question of this study.

Research question 2. What are the reactions of local non-talent to work with talented SIEs?

Challenges of T-SIEs

As noted above there is some evidence to indicate that SIEs may experience greater difficulties in settling into their jobs, with their new companies, within their new host country and their sponsored counter-parts (Hussain and Deery, 2018). For some, such difficulties can lead to a radical reassessment of their situation, including their employment within the organizational and decision to move countries.

One factor which can play an important role in influencing the likelihood of this is the degree of similarity between the SIE's 'home' culture and that associated with their new employers (Caligiuri and Bonache, 2016). Within the context of this study, we hypothesize that Western-origin T-SIEs may become marginalized when embedded in a collective Confucian society such as Korea. This then forms the inspiration for this study's third research question.

Research questions 3. What kind of difficulties do T-SITs experience in Korea, originated from the collective Confucian culture?

3. THE KOREAN CONTEXT

Confucianism and Collectivism

Korean Human Resource Management (HRM) is rooted in Confucian and collective philosophies (Park, 2020). Confucianism is an ethical value which emphasizes paternalistic caring duties to superiors, elders and parents within family, society and business relationship (Deuchler, 1992, Yao, 2000). The underpinning values of Confucianism, such as commitment and duty, and trustworthiness and loyalty are identified as important drivers of economic growth in East Asian countries (Kim and Hamilton-Hart, 2022).

The principles of Confucianism can be identified within Collectivist cultures. Such cultures comprise social patterns of closely linked individuals who see themselves as parts of one or more groups (Triandis, 2018). Collectivistic individuals tend to prioritize their group's goals, even at the expense of their personal interests and ambitions. Collectivism is also characterized by loyalty and therefore places a moral obligation on employees' to remain in the organization for extended periods of time. For SIEs from the individualistic countries which value competition and rely on material gains to track personal success (Triandis et al., 1988), such

principals can create dissonance, running counter to a more 'natural instinct' to leave an organization at any time that membership becomes a burden or inhibits the attainment of his or her individual goals (Kim, 2019, Triandis, 1995).

Shortage of Talent

Over the last twenty years, a variety of studies has identified issues relating to talent management within Korea. Choi (2008) for instance, in a survey of 111 HR managers found that the most difficult HR tasks were performance-based pay systems and acquiring highly qualified talents. More specifically, in a study focused on financial services, Kwon et al. (2012) estimated that the insurance and pensions and annuity markets required around 10,000 and 19,000 new employees respectively over the next decade to meet talent demands. More recently, Froese (2012) concluded that Korean multinationals experienced a variety of challenges in recruiting talented GMEs, in part as a consequence of cultural issues, including for instance assumptions around power-authority relationships. More broadly, a declining birth rate and an aging population suggest that these, and other related issues, are unlikely to be easily resolved as labor supply across Korea as a whole becomes ever-tighter (Park et al., 2022).

In order to ensure sufficient workforce, firms have extended their attention to external labor markets internationally (Kang and Shen, 2014). Many major Korean companies, such as Samsung, LG, SK, Hyundai Motor, Hanwha, Doosan and Kumho, now routinely recruit experienced employees internally and externally, and actively engaged in a globalized 'war for talent' (Bae and Rowley, 2003; Park et al., 2022).

However, for Korea, a specific challenge relates to the imbalance of foreign white-collar workers vs. foreign blue-collar workers. Although OECD countries average in-migration of foreign professionals has increased from 1.0% in 1990 to 1.6% in 2000 (Kraeh et al., 2015), the Korean average in-migration of foreign high qualified talent has decreased from -1.3% to -1.4% (Kraeh et al., 2015). According to Bae and Rowley (2003) and Cho and McLean (2009), the lack of diversity, language barriers and poor cultural fit are obstacles to retain talent.

Keyeol and Chaebols

The rapid growth and global success of Japanese firms during the 1970s and 1980s, led many non-Western MNCs to seriously question for the first time, universality of US-based management framework (Cascio and Boudreau, 2016). Many Western scholars subsequently concluded that the Japanese *keiretsu* system, with its horizontal and vertical linkages, was one of the factors in Japanese firms' success (Lincoln et al., 1996).

In Korea, strong parallels can be identified between the Japanese model of *keiretsu*, and the large local *chaebols* and their group affiliations, which are called *keyeol*. *Chaebols* are Korea's large conglomerate groups, which frequently emerged during World War II, following the provision of by the Korean government of low-cost loans and other incentives to create such large scale corporations (Campbell II and Keys, 2002). The *chaebols* were subsequently

important drivers of the Korean economy in the post war period and were especially successful during the country's exponential economic boom between 1965 and 1985 (Chang and Chang, 1994).

Korean *chaebols* are often compared to Japanese *keiretsus* and share many similarities. (Morck and Nakamura, 2005). The main difference concerns the strong family basis to the Korean *chaebols*, which is missing from the Japanese *keiretsus* systems (Bae et al., 2011). Korea's *keyeol* affiliations of *chaebol* groups are controlled and managed by family members (Campbell II and Keys, 2002), with, according to Claessens et al. (2000), the largest 10 families controlling around one-third of *keyeol* firms nationally. This situation is consistent with Morck et al. (1989)'s observation that emerging market firms are frequently family-controlled and have high levels of managerial entrenchment.

Similar to conglomerated firms in other economies, Korean *keyeol* affiliates for *chaebols* make financial and investment decisions as a group level, with resources allocated to *keyeol* firms centrally, and in order to serve group-level purposes in terms of corporate governance (Bae et al., 2011). *Chaebol* groups' *keyeol* firms are thus vertically integrated and conglomerated (Chang and Choi, 1988).

Shin and Park (1999) found that benefits could be accrued from the *keyeol* and *chaebol* systems as their reduced financial regulatory system supported the cross-subsidization of firms, which in turn could increase investment etc. However, in contrast, financial restriction owing to their internal capital markets, outperform compare to other non-*chaebol* firms. The lack of a link between executive payment and performance in *chaebol* firms could lead to complacency and reduce competitiveness (Kato et al., 2007, Bae et al., 2011).

Furthermore, the reliance of Korea's economy on a relatively small number of large conglomerates is a broader source of concern. Indeed with largest five *chaebols* (Samsung, LG, Daewoo, Hyundai and SK) are estimated to account for around 20 per cent of all national debt, while the unprofitability of the largest *chaebol* was a key factor in the 1997 Asian financial crisis (Campbell II and Keys, 2002).

4. DATA AND METHOD

This research comprised 55 semi-structured in-depth interviews with staff from 30 firms, all of whom were working in Korea. Collectively these companies cover the five sectors of Healthcare, Beverage, Chemical, Manufacturing, and Service. All interviews were completed between August and December 2015.

In total 36 respondents were Korean nationals and 16 were from overseas. Table 1 and 2 show that respondents were from a variety of positions within their companies. However *All* non-Korean participants were officially categorized as 'talent' within their firms (i.e. T-SIEs). All Korean respondents had a formal relationship with these participants of some form, for instance as colleague, line-manager, or subordinate. The interviews were conducted in the respondent's preferred language (either Korean or English) by the first author, which increased the value of the data yielded (Mäkelä et al., 2010). Translated from Korean to English were verified by two other bilingual colleagues to confirm data reliability (Chung et al., 2020).

The interviews included questions such as “How would you describe about Talent Management in your organization?” and “What factors do influence on effective TM system?” meetings, telephones, emails and SNSs were followed up to verify the analysis and update the information.

All interviews were tape-recorded and transcribed by the researcher to build familiarity and immersion (Bazeley and Jackson, 2013).

Data comprised thematic analysis, undertaken using NVivo 11, and Cognitive mapping. This approach, which utilized sentence by sentence coding (Kim and Scullion, 2011) and conceptually ordered displays (Miles and Huberman, 1994) supported the identification, analysis and reporting of patterns within data which in turn reflected the lived experiences of the study’s participants (Braun and Clarke, 2006). Additionally, in order to confirm the validity of findings and reduce researcher bias (Carter et al., 2014), three scripts from Cognitive mapping analysis were shared, and agreed by the three participants.

Insert Table 1 here

Insert Table 2 here

5. FINDINGS

Organizational Support: Talent Segmentation

The ‘local’ Korean firms in this study clearly differentiated between ‘talent’ and ‘non-talent’ pools of employees. T-SIEs were consistently well treated by Korean large leading firms including the *chaebols* featured in this study. This differentiation was recognized by groups of employees, for example as one T-SIE reflected:

“Yes, absolutely. I am treated differently and I am evaluated differently because I hired, of course” (S11-NK).

T-SIEs were offered an extraordinarily generous reward package, which commonly included perks such as a house, a housekeeper and flight tickets for visiting home countries during the holidays. In addition to more generous salaries and allowances, T-SIEs also frequently could access other opportunities such as language courses in the developed foreign countries.

These exclusive monetary and non-monetary benefits were generally highly effective in attracting and retaining the global talent which featured in this study. For example, one talented foreigner who moved from Canada to Korea opined that his job-hopping was driven by the

amount of money offered, while also noting the difficulties associated with working in a different environment:

“I myself jumped from one company to another because of the money... [my current company] offered me a lot of money, giving me double of my basic salary, and I thought ‘wow’ a lot of money...but the environment is different and the culture is very different, and consuming, so I think people will always want to move for the money... when they move, it is hard to know the culture whether it is right or not” (S11-NK).

Tensions between T-SIEs and Local Employees

In light of such clear differentiation, it is perhaps unsurprising that this study found tensions between T-SIEs and local non-talent. For T-SIEs in general though, these differences were seen as justifiable because of the added value they bring.

For example, two T-SIEs interviewees, who came from countries with a market-oriented, individualistic culture argued that equal payment between talent and non-talent was ‘unfair’, as it did not reflect differences in their capabilities and added value. Similarly, the Canadian senior manager in the service sector stated that:

“... [T-SIEs] have to be treated differently because ‘talent’ are expected to do very different things, so you can’t treat someone who’s paid \$50,000 the same as someone whose paid \$500,000. Because they are not same. Simply not same... then, of course they have to be treated differently because they are expected to deliver something that different things the company cannot deliver, that’s the purpose of talent hiring” (S11-NK).

The view of local T-SIEs’ co-workers

In contrast, views of Korean employees were more consistent with the collectivist principals of Confucian society, assuming that everyone was created equal and should be treated as such. Thus, in contrast with the T-SIEs respondents, fairness involved consistency and not discrepancy as asserted by T-SIE participants. For example:

“Although he is a foreigner, the company treats him very well. When we get a company loan up to 45,000,000 WON (almost \$40,000), he is eligible to receive 70,000,000 WON (almost \$62,000) loan by the company. The cars for testing sometime come to us by another our group’s Keyeol firms, the cars are so cheap, and we can buy them, but the chance to purchase a car is prioritized to him [a T-SIE] by the chief of R&D center. Then, the other local co-workers talk behind him ‘Why him?’” (C5).

Local colleagues of T-SIEs also highlighted the practical implications such assumptions had on their personal day to day activities. Complained in a practical way in a real workplace. For example, T-SIEs’ co-workers often had to provide additional support to new hired T-SIEs to help them adjust to their new role, for example:

“I need to take care of him (a T-SIE): visa problem, environmental problem, renting his family house, and tax. Whenever I need to fix these problems, I just have these

questions come to my mind, Why do we need to spend our working hours to care him? Does he really deserve? Is he really so brilliant?” (C5).

Furthermore, co-workers often observed T-SIEs’ enjoying a more balanced work-/and home-life, which meant they would more often leave work on time even they received extremely higher salaries. In contrast, local co-workers had to undertake overtime work without payment. This difference in expectations was a source of regular complaint for local workers.

Isolated T-SIEs

Unsurprisingly, these tension between Korean and T-SIE workers in exclusive T-SIE contexts frequently impacted personal relationships. For example, a T-SIE who had worked in a leading USA global company described how isolating this experience was for them:

“People knew that I am an S-level so something I have felt a distance, I couldn’t involve with them well. [They thought that] this guy has a stable, attendant job so he won’t be fired whatever he does, he will get a great salary whatever he does... they saw me like this. There is an invisible wall, it seems like. But we have our own worries which you cannot understand! I felt a subtle nuance, shade of meaning. Into my eyes had come a hostile challenge” (S8-NK).

Further discussions with respondents indicated that where such tensions existed, there was often an organizational failure to address negative aspects of corporate culture by HR practitioners and managers, with a lack of capabilities amongst the former seen as a particular problem.

Keyeol culture and its implications for talent development

A further source of tension concerned differences between T-SIEs’ and *chaebols*’ expectations of how ‘talent’ will be developed and applied. More specifically which the former frequently saw their move to Korea as part of an ongoing process of developing specialist skills, the latter generally adopted a more utilitarian and interchangeable view of such staff. *Keyeol* firms have a strong tradition of moving staff between posts as part of their strategy for rewarding staff and developing talent. An illustration of this practice is shown in figure 1. In this example, movement of CEOs between different subsidiaries is common, with vacancies filled by executives from elsewhere within the wider organization. Within this model, movement between posts typically occurs every two to three years.

For example as one T-SIE explained:

“Korean companies treat talent as generalists, like cookie-cutters, not a specialist. Local firms don’t need to consider workers’ specific talented skills because employees have to adjust to performing any job, at any time within their company” (S8-NK).

In Figure 1, in other words, C-Telecom’s executive is dispatched to a C-Network’s CEO position which implies the executive’s promotion, this executive works as a CEO for 2 or 3 years and then leave because another executive from C-Telecom will come to this C-Network

as a CEO again. In the meantime, C-Network's major client is C-Telecom. When a C-Telecom's CEO needs to retire, then a CEO position of C-Gas's one of LPG station in Town1 will be given to the CEO as a gift.

Insert Figure 1 here

One consequence of this was the T-SIEs often felt the process of rotation and moving staff diluted lines of accountability, which were weaker than they experienced in other contexts. For example:

"Here I can say, we don't have a real owner. CEOs are all coming from other keyeol companies by a group level decision. The current CEO comes from '00 Telecom'... normally they stay here for two years with our CEOs have been changed every two years...It's fine, well...anyway our business targets our another keyeol company" (M5, HR).

"Executives are from keyeol companies which are our client companies at the same time" (S3).

As noted above, top-level managers were not the only ones transferred between subsidiaries and many interviewees had also worked in other *keyeols* companies within the *chaebol* group. For example:

"I was working for 00 Chemical in Suwon city and transferred to be here" (S3), "I joined at 00 Networks firstly and then dispatched to 00 Group" (M5, HR).

For some staff, this clear career path was highly appealing, for instance:

"When executives in Sales department retire, CEO of this company 00 GAS gives one LPG station to the executives, then they will become a head of one of our LPG stations, but their salary will be paid by this company. This is my dream career" (S2).

However, the close familial ties within such contexts can be a major barrier to advancement. Indeed amongst *chaebol* companies, it is common that the top head of HQ is son of founder and that the owner's brothers and children are all involved within the business in some capacity. In this way, one family could control a *chaebol* and its many *keyeol* firms. For example:

"You know CH, son of founder, he is the largest shareholder of this company but this company is belonged to CT chaebol group which CT is a founder's brother" (S2).

Implicit within this ownership structure is a view of the CEO as a generalist, which in turn has significant implications for the career progression of the specialist T-SIEs featured in this study. For some respondents, this meant that CEOs would inevitably find it difficult to understand the contribution specialists could make to the organization, for example in terms of the strategic decision-making process and long-term business planning.

For example:

“I am the financial expert - when I joined this company, I couldn’t find any experts better than me. However, a powerful person in the highest position, not by experts, made the important decisions regarding finance. I had to explain all these difficult financial concepts to the CEO to persuade him, but the problem is CEOs are changed quickly; they are coming from other keyeols’ companies, which new CEO knows nothing about Finance and this field’s business because the new CEO was working for semi-conductor related Keyeol Company.

The new CEO cannot understand, no matter how I teach this complicated finance products. CEOs usually stay only 2 years. It means I cannot plan any long-term financial projects because CEOs know they will move to other keyeols companies after 2 years so always interesting to only short-term projects, meaningful long-term strategies are not approved” (S8-NK).

Such underutilization of talent clearly has implications for business efficiency. However, it also impacts on their moral, levels of job satisfaction on turnover. Indeed, participants in this study were clear that for career advancement, human capital of expertise and ability alone was not enough. Instead to climb up the ladder, the *chaebols* required other capital such as political, social and cultural capital all essential to the mix. For T-SIEs in *chaebol* groups this realization was often a major disappointment:

“They didn’t promote me to an executive position because of this wall, maybe they think I don’t know 000 culture or they think that I am not able to take a firm stand in this local rough culture as executives talk in a rough manner in a meeting (S8-NK).

Chaebol’s strategic reconciliation

It is clear from this study that Korean *chaebols* also aware of the tension between T-SIEs personal ambitions and company culture, as well as that between newly hired star talented foreigners and local employees. Local decision-makers from *chaebols* for example noted that they had experienced failures in hiring T-SIEs hiring, with one noting specifically that *“not many hired talent from outside succeeded”* (L10, HR), and how hired global talent could easily flee to other countries although the company treated well. T-SIE also recognized how many appointments ultimately did not achieve what was hoped and were often short-termist in nature. For example:

“I had the interview with this chaebol’ one of keyeol companies CEO in Chicago, the place was H hotel. One week after I had got an acceptance. Almost 50 global talent like me attended the company induction programmes together at that time, but most of them left this company after 2 years because they didn’t like” (S9-NK).

There is evidence that this issue is encouraging *chaebols* to modify their recruitment approaches and rather than look internationally, focus on identifying and recruiting talent who graduated universities in Korea. Such graduates are not exclusively Korean in nationally and nurturing the talent of ‘young bright foreigners’ who have already lived and been educated in Korea from entry level is certainly appealing for some. For example, in this study, respondent

M18-NK was originally from Uzbekistan and had been hired by his employer as part of this strategy. M18-NK had completed his master's degree in Korea, and as such was familiar with Korean culture and fluent in its language. He was highly satisfied with his job, and viewed his chances of promotion in a way consistent with other local junior employees, i.e., as being based on seniority and performance:

*“Actually *** [interviewee's company name] has a good status. So, most of well-educated Korean try to apply to work here. Now I am working in a very big company, I can be very much future oriented...of course learn a lot” (M18-NK).*

At the same time, senior T-SIEs involved in this study frequently observed a change in the latest generation of Korean employees in contrast with those who preceded them. Indeed, the new local graduates hired by *chaebols* demonstrated greater acceptance of Westernized thinking and were frequently fluent in English. This can be attributed in part to Korea's strong economic growth, and the diverse opportunities they had had from the government and their graduated universities to directly experience life overseas.

6. DISCUSSION

This research focused on a group of Talented Self-Initiated Expatriates (T-SIEs) in Korea. Particular emphasis was placed on the experiences of the T-SIEs themselves and the perspectives of their local ‘non-talent’ colleagues, and how Korean *chaebols* have modified their TM strategy due to the challenges involved in recruiting global talent, including integration and cross-pollination (Cascio and Boudreau, 2016).

In the absence of a robust and rigorous evidence base on GMEs and T-SIEs, TM scholars advocate the use of a range of theoretical frameworks, which span the boundaries of alternative business disciplines (Gallardo-Gallardo et al., 2015, Reilly, 2008, Lewis and Heckman, 2006). This strategy is consistent with trends in IHRM research, which encourage greater integration between the fields of global mobility and TM practice (Cascio and Boudreau, 2016, Brewster et al., 2014, Collings, 2014). However, despite these developments, there remains an effective absence of research into approaches used to manage T-SIEs within an exclusive TM approach within economically emerging Asian countries.

Therefore, the findings of this study make several important contributions to the advancement of understanding in this field. Firstly, its findings provide insight into ongoing debates as the economic position of SIEs internationally. More specifically it supports TM literature which sees talent as a source of competitive advantage (Latukha, 2015), who are generally treated favorably in terms of salary, benefits and job security (Dries et al., 2012) as the highest performing individuals are. These findings also confirmed earlier work that suggested that talented SIEs from the international talent pool are well treated in company's exclusive TM environment (Vaiman and Collings, 2015). Furthermore this research found that these participants received considerable support on a range of issues, in contrast with previous work which characterized GMEs as weak economically and likely to receive limited support from the hiring companies (Richardson and McKenna, 2002; Suutari and Brewster, 2000; Hussain and Deery, 2018).

Secondly, the study cast additional light on tension, which exist between T-SIEs and local co-workers. In countries such as Korea with strong Confucian-inspired cultures, perceptions of

systematic unfairness in the treatment of different staff are particularly problematic, and these run counter to fundamental shared social principals and are seen as the cornerstones of healthy organizations (Bloom and Michel, 2002).

This should not of course come as a shock. It is normal for employees to compare their compensation with referent others (Nosanchuk and Erickson, 1985), and the conclusion that non-talent consider themselves to be treated pejoratively and underpaid should be of no surprise. However the justification of this difference by T-SIE, along with the assertion that the absence of such a profound differentiation would itself be unfair (Zenger, 1992), is perhaps a little more revealing. While the fact that in these respondents perceived their specific know-how as distinctive, of value and therefore worthy of high return is in keeping with previous work (Dierickx and Cool, 1989), it is almost inevitably likely to cause problems within collective societies such as Korea because of the significant pay differentials and inequity it creates (Groysberg, 2010, Höglund, 2012, Siegel and Hambrick, 2005).

While TM literature often views the presence of wage discrepancy as a source of motivation and a tactic for retaining talent (Bloom and Michel, 2002, McDonnell et al., 2017) which can positively impact on organizational performance, this study offers a contrasting view. Indeed in this context, the exclusive TM practices (Huselid and Becker, 2011) described for T-SIEs here were a source of potential conflict with local non-talent (Iles et al. (2010), as it questioned their shared norms, ran counter to their traditional working culture (characterized by co-operation and inclusion) (Areekadan, 2022) and in turn negatively affected organizational outcomes. The fact that local co-workers were also required to provide additional, personal support on a non-discretionary basis for the T-SIEs colleagues unquestionably added further to the sense of resentment and injustice already felt.

Further tension came from the fact that expensive, Western T-SIEs displayed a lack of regard for local working practices by continuing to follow previously held assumptions concerning working hours and finishing promptly at the end of the working day. Indeed, Korean culture is well known for its expectation of high commitment, hard work (Cho and Yoon, 2001) and working long hours without overtime payment, each of which are viewed as consistent with the underpinning Confucian value of loyalty and respect (Yang, 2014, Yang and Horak, 2017). Again, the fact that local employees with lower salaries had to continue to follow the same practices inevitably added further fuel to this fire.

New actions have to be locally accepted once they are constructed but TM in local *chaebol* firms was challenged in this local validation (Johnson et al., 2006). In other words, the reactions of local employees to work with T-SIEs were unpleasant and negative.

These tensions almost inevitably have implications for the personal and organizational effectiveness. (Bozionelos, 2009) for instance notes that interpersonal ties and co-worker relationships act as a salient factor of job satisfaction and assist with organizational retention. However in exclusive TM context such as this, the envy and resentment felt by many non-talent (Dries, 2013) and result in T-SIEs being isolated and ‘out-grouped’ (Nisbett and Masuda, 2003), and effectively removed from the social networks which can prove so valuable to them (Markus and Kitayama, 1991).

Thirdly, this study found that *chaebols’* peculiar corporate governance system and localized, less internationalized working cultures were challenging to many T-SIEs, as they jeopardized the career development opportunities, which for many were instrumental in their decision to

work abroad in the first place (Thorn, 2009). For specialized T-SIEs, the realization that the value of their personal skills is reduced and that they are insufficient to ensure their progression can be a shock and cause them to leave (Cardinale, 2018). However, this paper found T-SIEs were not alone in this frustration: talented Koreans too found climbing the corporate ladder almost impossible due to the strong ties and relationships at the heart of the *keyeol* and *chaebol* groups.

It is noteworthy however how the exclusive TM strategy described in this paper, is so heavily premised on the development of individualized labor-capital (Lin, 2006), despite this being so fundamentally at odds with a wider system within which progression is a product of political, social and cultural capital. In such a context, the effectiveness of a TM approach which is premised on the development and exploitation of the capabilities and potential of a few star performers (Marchington et al., 2016) rather than leveraging the capabilities and capital of the broader collective (Sparrow and Makram, 2015) is always likely to be compromised.

This situation is reflective of culture and a tradition within Korean industry which treats employees as interchangeable widgets (Davenport et al., 2010). It is also a product in part of the country's relatively recent history; Korean has enjoyed considerable economic growth through an industrial based on the principles of collective capital. Thus, collective ideas and norms are habitualized in the society and in turn, these shaped TM in Korea.

Indeed, the observed practice of rotating and circulating senior managers within *chaebols* and their *keyeol* companies is also a reflection of this collectivism. There are though significant downsides to this. As noted, that top decision-makers are generalists and not specialists in their company's industry can impact on the quality of decision making. Furthermore, the fact that they will inevitably move to another *keyeol* company after 2/3 years is likely to encourage short-termism and a lack of strategic long-term planning. In this study, these factors come together in instances when long-term projects proposed by expert T-SIEs were rejected by a generalist top decision-maker in the *keyeol*, under pressure to demonstrate strong performance and outputs to the *chaebol* group within 2 years.

Ironically, the fact that the internal HRM systems of many Korean companies remain less internationalized is an important contributor to this situation. Moreover, generalists also often lead such HR departments from Sales or Finance department rather than HR experts, located in such positions for a relatively short period as part of the circulation strategy. Taken together these factors can lead to a lack of willingness to challenge existing practices and introduce change that could potentially promote greater efficiency in general and of the TM functions.

In the absence of such innovation, seniority and age remain the dominant factors in determining employee promotions. On a day-to-day basis, this promotes an authoritarian style of leadership, which can be stifling and limit the contribution of less senior staff. Indeed, in this project, the researcher witnessed firsthand meetings where only managers spoke and young subordinates remained silent, with an expectation of obedience. For T-SIEs, this expectation could be frustrating and demanded considerable effort to fashion work-around strategies to secure positive results. For instance, one Canadian T-SIE described they effort they exerted summarizing information in a single side of A4 paper, to ensure their boss was able to reach a decision, which served both the interest of the company and its external customer. In doing so, he noted that such a situation would never have occurred in his previous employer.

Perhaps unsurprisingly, many T-SIEs leave relatively quickly after realizing the variety of

challenges they face. However, for *chaebols* and *keyeol* firms, this creates issues as to the level of commitment they can invest and in turn, the degree of resource they should invest in (Froese and Peltokorpi, 2013). Indeed this high mobility contrasts sharply with traditional company-assigned expatriates who's tenure is both generally longer term and more predictable (Doherty et al., 2013).

To overcome these issues, Korean *chaebols* are increasingly focusing on augmenting their existing strategy of hiring star T-SIEs from developed countries, with 'rising star' international students from universities in Korea itself, in line with their existing graduate recruitment programs. By shifting their TM strategy and hiring entry-level foreigners in this way, these Korean companies hope to reduce the conflict between T-SIEs and local employees; with the hope too it may also promote an increase in the integration of positive elements of working culture from beyond Korea. The fact that younger workers are seen as more open to Western influence and have a higher acceptance of Western management beliefs may also be important in this process.

7. CONCLUSION

The principal objective of this study was to identify and explore issues associated with T-SIEs in Korean *chaebol* firms, including those relating to T-SIEs themselves and emerging from their relationships with local non-talent colleagues. The study itself comprised in-depth interviews with 55 T-SIEs and their co-workers, collectively employed in 30 different companies in Korea, all operating as part of the *chaebol* and *keyeol* system. While previous studies have considered TM from alternative perspectives, this is the first to focus specifically on TM within the context of this system.

This study found that T-SIEs considered their career development opportunities would be limited within *chaebol* and its *keyeol* firms' peculiar system of corporate governance and relatively localized, non-international working culture. It also found evidence of significant tension between T-SIEs and their local employees, the latter of which often viewed working with T-SIEs in negative terms for a variety of reasons. These include the significant differences between the wages and benefits received by SIEs and local workers, differences in working practices observed in part of reflecting lower levels of commitment amongst SIEs and the detrimental impact having to provide additional support to SIEs have on local workers' time and capacity.

Moving forward, this study has identified a growing shift in the TM strategies of Korean and *chaebol* firms, away from recruiting T-SIEs, and instead towards identifying and attracting talented international students from mainly developed countries already located within Korea and working in more junior levels. Evidence from this study supports such a strategy as an effective approach to reducing the conflicts identified above, and recommends its adoption more broadly.

This study has several limitations, which in turn provide helpful indications of directions for future research. Firstly, this study was essentially explorative in nature, utilizing qualitative to identify the most significant themes and ideas relating to this issue. Therefore, future studies could examine the extent to which these issues affect companies more broadly by adopting a

more diverse sampling framework. This could for example include organizations of different sizes, from alternative sectors and from beyond the *chaebol* system. In terms of T-SIEs themselves, greater attention could be given to the extent to which individuals, depending upon their demographic and professional background, feel these issues.

If undertaken from a quantitative perspective such studies could help to understand in greater detail the nature and significance of inter-relationships between these various factors (Gallardo-Gallardo and Thunnissen, 2016), which in turn would support the development of more detailed recommendations for TM in this context.

From a qualitative perspective, further research could be useful in developing a richer understanding of the issues raised, many of which are under-explored in the literature. In particular, a more detailed appreciation of the impact on tensions, identified above, has on the overall success of T-SIEs (Lo et al., 2012, Mitchell et al., 2001, Lee and Mitchell, 1994). Adding to this, how to address the tension in practice could have a significant impact on the effectiveness of this TM approach and in turn, the competitiveness of firms that adopt it.

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TABLES AND FIGURES

Table 1. Interviewee profile

Sectors		Nationalities	
Healthcare	13	Korean	39
Beverage	6	Non-Korean	16
Chemical	6		
Manufacturing	19		
Service	11		
Total	55		
Types of company		Gender	
Foreign	23	Male	47
Local	32	Female	8

Table 2. Interviewee characteristics

Interviewee	Position	Company type	Korean/Non-Korean
H1-F	Executive	Healthcare	
H2-F	Executive	Healthcare	
H3-F	HR manager	Healthcare	
H4-F	Assistant Manager	Healthcare	
H5-F	President	Healthcare	
H6-F	Middle Manager	Healthcare	
H7-F	Director	Healthcare	
H8-F	HR Manager	Healthcare	
H9-F	Middle Manager	Healthcare	
H10	Director of HR	Healthcare	
H11	Assistant HR Manager	Healthcare	
H12-F-NK	Head of HR	Healthcare	Hong Kong
H13-F-NK	Head of HR	Healthcare	Japan
M1	Middle Manager	Manufacturing	
M2	Manager	Manufacturing	
M3	Head of HR	Manufacturing	
M4	Manager	Manufacturing	
M5	Manager	Manufacturing	
M6	Head of HR	Manufacturing	
M7	Senior Manager	Manufacturing	
M8	Manager	Manufacturing	
M9	Vice President	Manufacturing	
M10	Middle Manager	Manufacturing	
M11	Middle Manager	Manufacturing	
M12-F	HR Middle Manager	Manufacturing	
M13-F	Senior Manager	Manufacturing	
M14-F-NK	Director	Manufacturing	German
M15-NK	Assistant Manager	Manufacturing	India
M16-NK	Senior Manager	Manufacturing	Japan
M17-NK	Manager	Manufacturing	Cote d'Ivoire
M18-NK	Assistant Manager	Manufacturing	Uzbekistan
M19-NK	Senior Manager	Manufacturing	USA
C1-F	Senior Manager	Chemical	
C2	Manager	Chemical	
C3	Middle Manager	Chemical	
C4	Middle Manager	Chemical	
C5	Assistant Manager	Chemical	
C6--NK	Manager	Chemical	India
S1	Executive	Service	
S2	Middle Manager	Service	
S3	Manager	Service	
S4	Assistant Manager	Service	
S5-F	Executive	Service	
S6-F--NK	Director	Service	USA
S7-NK	Senior Manager	Service	USA
S8-NK	Senior Manager	Service	USA

S9-NK	Vice President	Service	USA
S10-NK	Vice President	Service	USA
S11-NK	Senior Manager	Service	Canada
B1	Assistant Manager	Beverage	
B2-F	Head of HR	Beverage	
B3-F	Manager	Beverage	
B4-F	Head of Marketing	Beverage	
B5-F	Assistant Manager	Beverage	
B6-F-NK	Head of Finance	Beverage	India

Figure 1. The Structure of Chaebol 'C'

