

Examining Organizational Culture of Cronyism in Korean Companies

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Abstract—This paper have been conducted the culture of cronyism of Korean companies based on the concept model by Khatri & Tsang [16] through in-depth interviews. Using Turhan [26] questionnaires, we draw on the main influencing factors and the outcome factors of cronyism. These results offer the cronyism affects into the job satisfaction, job commitment, flattery of individual's, and, performance, inertia, and morale of organizational. Through this, we can ascertain the culture of cronyism of domestic companies, exploratory characteristics as the basis of future research. For this reason, interviews as a face to face have been held with personnel representatives who could best capture cronyism. And analyzed the contents according to the characteristics of the companies.

Keywords—Cronyism; Flattery; Inertia; Job Satisfaction; Morale; Organizational Commitment; Performance.

Abbreviations—Human Resource (HR); Small and Medium -sized Enterprise (SME).

I. INTRODUCTION

KHATRI & TSANG [16] have been pointed out that cronyism is a key elements that affected the Asian financial crisis in 1997, and the executives of Asian financial institutions were involved in delivering excessive credit to customers based on their networks. Husted [13] and Vogl [28] summarized the cause as 4C, They have insisted that collusion, corruption, complacency, and endemic use of cronyism have been prevailed in Asian companies, governments and the financial sector.

From Korea point of view, if the Korean government is promoting policies while the Korean society is making economic development through industrialization, Cronyism when a companies creates employment is prevalent in society as a whole, but it cannot be denied that it was a factor that made rapid growth possible. In addition, the driving force behind the IMF financial crisis has been the result of the sense of community that 'we are one, It is our business', which is an important factor that cannot be overlooked in the Korean society.

The academic discussion on Korea cronyism has been conducted in sociology with regard to administration and politics. In business administration, there is research that used the school ties as a measure of social capital, yet oddly enough, there is no study that confirms cronyism through empirical measurement of cause-and-effect relationship.

Khatri & Tsang [16] is a representative researcher of Cronyism in the field of business, with a proposed a concept of what kind of what effects of cronyism research which has been mainly discussed in sociology, would have on the individual and organizational level of the company. In his later conception studies, infer that cronyism is likely to occur in a vertical collectivism culture [Khatri et al., 17], and network competition increases the likelihood of sincerity and suggests a conceptual model in which the types of networks control between them [Khatri et al., 2]. Drawing on these theoretical discussions, various studies have been made, but the researchers have presented different conclusions and are insufficient to achieve academic consensus. The reason for this is that a proven measurement tool that measures cronyism has not been developed [Turhan, 26]. Turhan [26] has developed a measurement tool based on the concept model of Khatri & Tsang [16], but lacks follow-up research. Although the study of cronyism is a suitable study in the social and cultural context of Korea, it has been rejected and the influence of the cronyism suggested by Khatri & Tsang [16]. In this study, Khatri & Tsang [16] conducts an exploratory study through interviews using the concept model and the measurement tool items of Turhan [26]. This is because it is difficult to generalize the fact that the facts of domestic politics are reflected in domestic circumstances and the credibility and validity of measurement tools cannot be believed. First of all, before starting the empirical study, the

situation factors or mechanisms that can occur in Korean companies can be released through in-depth interviews.

According to the previous discussion, First, Khatri & Tsang [16] identify the culture of cronyism in Korean companies based on this conceptual model. Second, In-depth interviews using the Turhan [26] questionnaire items are used to identify the main influencing factors and outcome factors of sincerity. Through this, we confirm the culture of sincerity of Korea companies and conduct exploratory research as the basis of future research.

II. THEORETICAL BACKGROUND

2.1. Definition of Cronyism

Cronyism is a compound word of Crony Capitalism and is defined based on social exchange theory. Particularism and paternalism emphasizing such as friendship, blood relative, school ties have asserted strong in group bias and unreserved personal loyalty caused cronyism. Cronyism means that superiors exercise privileges based on nepotism rather than abilities or qualifications in exchange for the loyalty of their subordinates [Khatri & Tsang, 16].

Cronyism is similar to nepotism and is likely to be misused so is necessary conceptual distinction. The definition of cronyism is a practice or system of personnel that does not take into account the performance but appoints politicity, blood relative, regionalism, and personal friendship. Nepotism is a cultural characteristic that emphasizes primary collective relationships such as blood relative, regionalism, and school-ties more than other social relations and extends this behavior style to other social relations [Jongsu Lee, 15]. Cronyism is thereby definition of includes not only third party such as blood relative and regionalism, but also includes politicity, personal friendship, and practical benefit like a special appointment including employment.

Cronyism is a broad social phenomenon and is divided into horizontal and vertical. Horizontal cronyism occurs between colleagues at work, friends and colleagues. Vertical cronyism is based on the relationship between a superior and a load. The definition of Khatri & Tsang [16] have explained through social exchange theory with a focus on vertical righteousness. Here, the exchange relationship means upward as a the loyalty of the individual, downward as a the exchange of the sponsor.

Khatri has explained through conceptual studies the factors that lead to cronyism through subsequent research. In a 2006 study by Khatri et al., [17] explained the occurrence of sincerity through culture, He suggested two propositions and inferred that proposition 1 'cronyism is more likely to occur in collectivist culture than individualist culture', proposition 2 'cronyism is more likely to occur in vertical culture than in horizontal culture' so cronyism is likely to occur in a vertical collectivist culture. In addition, Proposition 3 has argued that cronyism can be mitigated by institutional protection measures. The conditions of his sincerity offer

first, second, something of value. Third, fourth the sacrifice of the third person follows.

Findings in this research can define cronyism not only to include primary collective relationships such as blood relative, regionalism, and school-ties, but also to include politicity and personal friendship, and to take real benefits such as greetings and compensation using these relationships.

III. RESEARCH PROPOSITION AND RESEARCH MODEL

3.1. Cronyism and Job Satisfaction

Emotional ties created in job relations is a high possibility that they will be satisfied with their jobs. And the boss is a trustworthy subordinate, they give in- group more opportunities and rewards, and an in-group members increase their appreciation to the boss [Cheng, 7]. An in-group also is more likely to be assigned an interesting job or a good job environment [Khatri & Tsang, 16]. Lagace et al., [18] has confirmed that in-group members experience higher motivation, lower job stress (role overload, role insufficiency, role ambiguity, conflict). On the other hand, out-group members are less likely to get what they want and have a negative impact on their feelings [Hurley et al., 12]. Outsiders are more likely to feel unfair when members of in-group are aware of being promoted or rewarded regardless of ability and raise complaints but hard to find evidence [Cleyman et al., 8]. A corollary is that the members of the in-group who experience high cronyism will experience job satisfaction.

Proposition 5: Ingroup members will have greater job satisfaction than outgroup members.

3.2. Cronyism and Organizational Commitment

Collectivist follower is more committed to superior than Organization [Khatri & Tsang, 16]. This takes precedence over the attachment to the organization and develops as an obligation. As a result, the boss emphasizes blind allegiance, and widespread cronyism becomes widespread in the organization [Boyacigiller & Adler, 1991]. Chen & Francesco [6] found that the commitment of their subordinates to their supervisors is higher than their commitment to the organization through the study of organizational commitment in China. Since the individual has already been hired, he or she will lean toward a senior who decides assignment, evaluation, and compensation. The effect of these results increases the likelihood that the cronyism which emphasizes the blind allegiance to the superior is spread to the organization. In other words, the members of an in-group will show low commitment to the organization and the climate that emphasizes the loyalty to the supervisor will be negative to the organization's performance if the goal of the supervisor conflicts with the goal of the supervisor [Turhan, 26]. Pearce et al., [20] argued that the influence of exclusivism cultures increased cronyism practices. Immersion is related to organizational dependence, job security, and career development etc. Members of in-group are less likely

to benefit from out-group and job security from it when the practice of cronyism is shown, an in-group's efforts cannot be recognized by the superior because of the group preference. As a result, individuals do not feel fulfilled, while in-group members in charge functions of core that can be easily replaced while members of the out group are a key role in the organization [Cheng, 7]. Accordingly, they will show a low level of immersion to organizations that do not guarantee their interests, Collective practice, low immersion, and low trust will lead to greater job neglect in the organization.

Proposition 6. Cronyism will have a negative impact on organizational commitment.

3.3. Cronyism and Flattery

In the context of the relationship between supervisor and subordinates, flattery is a move that acts to influence people at a higher level of hierarchy in the hierarchy of the organization [Porter et al., 21]. In the case of China, it is common practice in society to advocate blood relative and to give favorable gifts or gifts for personal fellowship [Cheng, 7].

Because loyalty affects cronyism, the subordinates follow the supervisors opinions and shield reputation and authority. They also acknowledge the difference in power and obey to get the supervisor heart [Fisher, 10]. Tripathi [25] has found that firms with frequent flattering in India have a greater reliance on subordinates to their bosses in relation to their supervisor. Therefore, members of in-group will take action to seek favor for their position and practical high attitude [Khatri & Tsang, 16].

Proposition 7. Cronyism will have a positive impact on flattery.

3.4. Cronyism and Performance

Judgment on favoritism can be an individual's feelings. However, as the partiality increases, the supervisor can not perform the correct performance evaluation, which can adversely affect the relationship between supervisor and subordinate [DeCotiis & Petit, 9]. Vecchio & Gobdel's [27] have asserted the objectivity of the external evaluation, not the supervisor's evaluation, to evaluate the condition of the subordinate. Tripathi [25] has confirmed that the effects of personal fellowship in Indian companies are causing an inflated performance evaluation. This means that members of the group receive artificially inflated performance evaluations and can be included in the organization with hidden there incapacity [Khatri & Tsang, 16]. An in-group members can get the compensation they want by loyalty rather than ability. Because of this, you do not feel the need to develop your own abilities and at best achieve the average abilities of their organization. They also concentrate their energy to match their political behavior with supervisor [Goffee & Jones, 11]. The person who more cares about the interpersonal relationship generally has a low job enthusiasm [Redding, 22]. First, they tend to concentrate all of their resources (time and effort, etc.) on increasing relationships. Second, the acquired social network is used to achieve its goals and is

used to diminish the norms of the organization. The boss is also surrounded by the 'Yesman' and cannot enjoy the benefits of various perspectives, experiences, and knowledge, cannot make good ideas or make good judgment [Khatri & Tsang, 16]. Outgroup have felt inequality in these discriminative treatment and reduce motivation for subjective compensation [Bedeian & Armenakis, 1]. In other words, it is more likely that talented people with good job skills and enthusiasm for jobs cannot get the compensation as they deserve, so leaving the talent needed for the organization. In sum up, cronyism can be defined, first, increases the level of unfairness by involving supervisor's subjectivity in performance evaluation. Second, the members of an in-group concentrate their ability to meet a person hard to please of the supervisor rather than to develop their job ability. Third, it is a negative factor to create a good idea because it blurs the judgment of the supervisor. Fourth, it reduces the motivation of the out-group and reduces the calculation of both the inner group and the outer group. Organizations will lose faithful talent person and will have a negative impact on performance.

Proposition 8. Cronyism will have a negative impact on performance.

3.5. Cronyism and Morale

Job satisfaction is an individual attitude, but morale is a set of job satisfaction of all individuals [Benton, 1998]. In 'LMX: leader-member exchange' studies, an in-group members know that they can receive more attention and support than out-group members [Scandura, 24]. Because the in-group exchange relationship has characteristics of partnership, interpersonal relationship acts rather than formal authority in interaction between supervisor and subordinate [Berry, 1998]. Therefore, members of the in-group are more likely to experience high morale due to intimate interpersonal relationships [Jenks, 14]. On the other hand, the outgroup members have a official relationship with their bosses and enjoy basic benefits [Khatri & Tsang, 16]. Such discrimination can negatively affect the teamwork and personal emotions of the organization, which may cause hostility between the two groups [Yukl, 29]. Finally, when in-group self-interest and unfair evaluation and compensation continue, the outgroup that recognize this will be less likely to be morale by alienation, helplessness, and negative feelings.

Proposition 9. The morale of the in-group will be higher than the outgroup.

Proposition 9-1. cronyism will have a negative impact on the overall morale.

3.6. Cronyism and Inertia

The state in which an organization cannot change and is staying is called inertia. Inertia refers to a state in which an object is stopped even when it is under force. It refers to a state in which the changed environment and organization are not cooperation due to inertia due to the internal nature of the organization even though the environment of the

organization changes. Robbins & Butler [23] has asserted that the type of inertia at the individual level is a factor of resistance to change in habits, safety, economic factors, fear, and selective information processing, structural inertia to maintain stability at the organizational level, limited view of transformation, We argue that inertia is caused by collective inertia, threats to experts, threats to existing power relations, and threats to existing resource allocation relationships. Through Oreg [19] research, he suggested the power of members, job security, and intrinsic compensation as factors related to the change result. As we mentioned earlier, cronyism generates high power distinctions and makes subordinates subordinate to follow the boss's opinions and force loyalty. Consequently, the in-group subordinate is obedient, will increase the words and phrases that the boss can listen to pursue his stability, and will not make a statement for organizational change. Also, cronyism generates noise in the upper groups of the organization.

Outgroup members perceive their indifference and unfair treatment on their own, which reduces job enthusiasm and reduces motivation and performance. In other words, confronting customers, suppliers, and other external interests is as a subordinate, information collected by them may not reach the supervisor, and adversely affects decision-making. Cronyism can be negative to the organization's ability to learn information and adapt to change [Khatri & Tsang, 16]. According to the members of the in-group are careful to make remarks for change for their own interests and well - being, the members of the out - group feel unfair, do not do their best for their jobs because they are low in expectation and motivation, Organizational inertia will emerge by reducing the number of words and phrases for organizational performance and change.

Proposition 10. Cronyism will have a positive impact on organizational inertia.

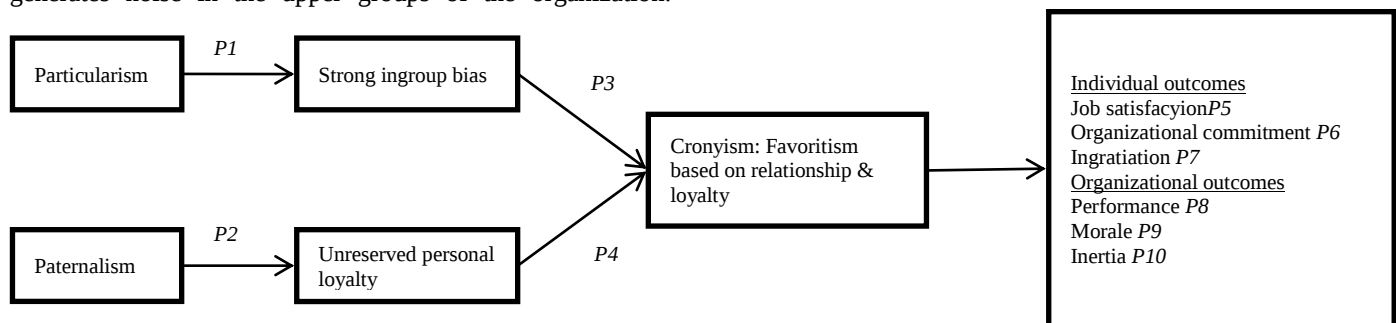


Figure 1: Conceptual Model of Khatri & Tsang [16]

IV. RESEARCH METHOD (CASE STUDY)

4.1. Case 1: Culture of the Cronyism of Large Enterprises

Conducted A interviewer of the Human Resources (HR) team leader of “A electronics” (November. 25). We asked questions about the actual situation of corporate cronyism and how they can respond based on their experience from the past to the present. Large companies have strengthened their human resources systems and introduced objective and transparent evaluation and compensation systems for organizational performance, but it is the interviewer's answer that it is impossible to judge that the cronyism culture of favoring in-group has completely disappeared.

“It is true that even when I joined the company in 1992, I was able to join my cousin's family easily. However, I was able to survive until now because of I really tried to refer to my family. I graduated from university and was preparing an administrative notice, but I got a child and I had to earn money to come to work. At that time, 11-year-old than me my brother, Cousin, helped me. There were many people who came in so there was no mention of a parachute (high-handed personnel administration). After entering the HR department, many requests were made and that many people were unable to reject it. Most of the people who came in as a request had to leave the organization due to restructuring at the time of the IMF. But there are many who survived like me”.

Analysis of the responses to the cronyism that we felt through our past experiences seemed to have not been a problem because the cronyism was prevalent at that time and they took this social atmosphere for granted.

“Nowadays, it is very rare to look at convenience hiring when entering a company. There is no way to do what you can do if you cannot pass the employment exam from the basic document screening. You can give more points in the interview, but the results do not change even if greatly one person be gives a good score. But if you come in and get organized, you cannot ignore the cronyism link. When dine together such as picnic are easier to get familiar with and become crowded with the introduction of the local area, the school they came from, or the people they know. Such living in a group eventually leads to bias and affects HR. However, since there are many channels that can hear employees' voice, so it does not occur very seriously enough to feel it.”

In recent years, it has been found that the school-ties, regionalism, and friendship influence on the personnel, though the cronyism culture does not occur more than the past due to various efforts of the corporation.

“In the past, when the culture of cronyism was strong, there was a lot of competition among the companies and fighting inside. Although such competition has positive aspects to performance, it seems to have had a lot of problems when making decisions. Many of the things that have been done on the line of friendship have been

troublesome over time, or they have invested only in resources, and have had difficulties in doing so. Also, in the meetings where the proposal was adopted, there was a lot of fighting for group opinion rather than evaluation of ideas. If the verifier is a superior of the other group when they send a conformation document, I did not sign him anyway.”

To summarize the responses to the effects spread of past cronyism culture on organization, There was a positive aspect in the competition among the internal groups of companies, but it was found that difficulties were experienced in the haste administration and decision making process.

“It was really good when my cousin who helped me personally joining the company, was the chief of director. Companies give a promotion to good at doing things, but at work there is no one who is exceptionally good. Their abilities are similar, their jobs are not much different, others are promoted, and some people stay same position. I also have a friend who takes care of important things when working, and someone who carries out general tasks. It seems to be go comfortable with my worker, not because being able to do well or no. When the time passes, there will be a difference in the personnel department.”

Cronyism leads to favoritism and affects job distribution, which in turn affects HR. Therefore, the promotion of the members of the in-group is relatively fast and the members of the outgroup can recognize the favoritism. According to Khatri & Tsang [16] assertion, out-group members who perceive favoritism have got lowered job satisfaction and job commitment.

4.2. Case 2: Cronyism Culture of SMEs (Small and Medium-sized Enterprises)

B interviews of automobile parts makers’ personnel director (November 23) summarized interviews that in the past, cronyism has been widespread in the organization, recently, but reduce that as the large companies have systemized and developed the selection and evaluation process. In the case of a director interview etc, however, it is not possible to say that an individual’s subjective judgment intervenes, and sometimes parachute (high-handed personnel administration) occurred. As a result, the culture of sincerity is stronger than that of large companies and weaker than government agencies. However, the effect of cronyism is shown strongest.

“As the size of the company grows, the human resources system has developed a lot. I think it is better than before, but I cannot ignore the high position influence that has been in the organization for a long time. I was sometimes called and asked for a job interview and gave me a low score in my interview but got the highest score in the interview and joined the company and made a rapid promotion. The parachute was promoted, but no one had a problem. In this way, I have some experience to acquiesce to the cronyism of the organization. The impact of the impact on an individual or organization is likely to be different for different departments. In production part, even a parachute will not have a significant impact except they work badly. If you do a lot of work, you do not

have to worry about it but in the administrative department, the morale of the department is greatly reduced.”

Although the human resources system of SMEs has been developed a lot, the culture of cronyism has remained, and the influences of the influx of personnel and personnel have been influenced, and the perception of the cronyism of the employees is low. The effect of cronyism could be different for each department, and it was confirmed that the morale of the organization was lowered due to the cronyism.

“I am also the second job of this company. There were many other reasons, but there was a lot of promotion time due to competition from the motives for joining company. At that time, one of the joining co-workers was not working and the promotion test score was low, but the interpersonal relationship was good in the department. He came from the same school as my boss and he had a good relationship especially he did flattery at the restaurant. I did my best to do what I entrusted to me, but I did not have enough effort to form an interpersonal relationship within the organization. The motive was promoted first, and a few months later I left the company and came to his current job. I was able to stay, but my self-esteem fell, and I decided to leave because I hated being afraid to work more than anything. And the neglect of motives that were promoted first seemed to have the greatest effect on the resignation”.

Through these responses, it was confirmed that the in-group favoritism of the cronyism increases the adulation and decreases the immersion of the out-group. Ultimately, more skilled personnel of in-group are released than the members of the group. Therefore, it is affirmed as a factor that can negatively affect the performance of the organization. Also, it was confirmed that the effect of result of the cronyism such as co-worker negative gaze and individual’s feelings.

“Cronyism can be ameliorated through organizational efforts, eventually, but it comes from human relationships. Common characteristics, interests, and behaviors create bonds and deepen bonds that form groups. It seems that what is important here is a biased viewpoint. How compromising and biased viewpoints are combined will ultimately affect the influence of cronyism on organizations and individuals. It is likely that negative influences will diminish depending on how leaders perceive and respond to organizational culture”.

It is a response that suggests situational factors from a practical point of view about the effect of cronyism on organizations and individuals, and it can have meaning of suggestion for implication.

4.3. Case 3: Cronyism Culture of Government Institutions

To summarize the interviews with the director of human resources department of the Robot Industry Promotion Agency in C region (November. 21), we could confirm the strongest cronyism culture among the three organizations surveyed. The unusual point is that the culture of cronyism is promoted in the process of hiring, but it has a relatively low impact on job performance. In this institution, it is divided into the duties of the administration and the duties of the

research, and the personnel management system is relatively unstructured.

“When selecting a researcher, it is not a problem that occurs when the labor supply is needed, but a lot of cases demand insufficient of people. For that reason, the professors who know also find talented people who are able to use their networks to do their jobs. Therefore, employees selected with a limited network have naturally had similar characteristics. It seems that the organizational characteristics are generally similar because of local, school, and acquaintance.”

Due to the professional nature of the researcher, it is necessary to select a proven workforce, and because it is necessary to have an already educated workforce, it is difficult to select a workforce differently from a general enterprise organization. These interviews also extend cronyism from the selection process, friendships such as social networking influence and a uniformized group with similar personal characteristics is created. Accordingly, collectivism that generates cronyism arises from the selection process and strong group partiality may occur due to the nature of organization.

“Self-esteem is high due to the personality of highly educated people. Due to there spring up a problem that discriminates the ability of the from school, the major and the individual. The cohesive power within the team is strong, but the communication between the teams is bad. I do not know if that kind of friendship is a big problem in the life of the organization. Because the job is the performance annual salary system of the team, the team with good unity is more successful outcome. It is a research job, but it's not about creating something innovative and innovative. In the end, what we do is a repetition of similar tasks, and a group with good proficiency get high achieved and good teamwork perform well. Because of, However, the high level of authority in the role of full-time researchers in carrying out certain tasks, I can often see behaviors of subordinate that seem to flattery well.”

The annual salary system seems to have a relatively low impact on the organization and the individual because the capacity and effort of the individual is very important indemnification. The reason for this is based on social exchange theory in which cronyism takes advantage throw the mutual exchange. Notwithstanding, the performance annual salary system seems to have a relatively low influence of cronyism due to the importance of personal capital as mentioned above. Due to, However, the superior role and authority of the superior the loyalty of the allegiance of the individual of the subordinate is created, and it can be said that the culture of cronyism is strong that organization.

V. CONCLUSION AND FUTURE WORK

This paper have been conducted the culture of cronyism of Korean companies based on the concept model by Khatri & Tsang [16] through in-depth interviews. Using Turhan [26] questionnaires, we draw on the main influencing factors and the outcome factors of cronyism. These results offer the

cronyism affects into the job satisfaction, job commitment, flattery of individual's, and, performance, inertia, and morale of organizational. Through this, we can ascertain the culture of cronyism of domestic companies, exploratory characteristics as the basis of future research. For this reason, interviews as a face to face have been held with personnel representatives who could best capture cronyism. And analyzed the contents according to the characteristics of the companies.

As a comprehensive opinion, in the past, the culture of sincerity has been widespread, but it has been confirmed that the enterprise's efforts and the development of the human resources system have improved considerably. Although it is different for each company, Unfortunately, the cronyism has not disappeared and it can be confirmed that it follows the argument of Khatri & Tsang [16].

First, the effect of cronyism on an individual has agreed with as follows that Proposition 5. The claim that my group members will have higher job satisfaction than the outside group members, Proposition 6. Cronyism claims to have a negative impact on organizational commitment, Proposition 7. Sincerity should have a positive impact on flattery. Particularly, Job satisfaction and organizational commitment were lowered resulting in disruption to work and lower self-esteem when important to individuals such as promotion when the organization feels that it has been disadvantageous to them because of their strong culture. Members who have experienced these disadvantages eventually lead to personnel outflows (resign) in the organization. Also, we point out that my group members who are good at interpersonal relationship and superior to their boss are promoted better than those who have superior ability. Summing up, because the rewards through flattery are greater than ability, cronyism can act as a factor to increase sycophancy/flattery.

Second, the effect of cronyism on the organization can be confirmed by Khatri & Tsang [16] although it varies according to the characteristics of the company. In large corporations, however, Cronyism was also a positive part because of the increase in intentional competition among groups, implicating that organizational inertia may occur because it negatively impacts decision making. In small enterprises, it may be different for each department, but it is confirmed that the influence of socialism such as high-handed personnel administration (parachute appointment) greetings in the organization may diminish the mood of the members resulting in a general decline in morale. As for the performance, it have been confirmed that the effect of the cronyism on the performance is relatively low due to the performance annual salary system due to the characteristics of the institute of the government institute. Large corporations and small enterprises, however, agreed that strong culture of sincerity would have negative effects on organizational performance.

Finally, Singularity that is found through in-depth interview and Khatri & Tsang [16] find that there were more factors than the factors suggested. The corporate's manpower, individual's high self-esteem can increase

cronyism, Human resources systems, moreover, reward systems, leaders, and job characteristics can have different effects.

In order to derive implications from these discussions, practitioners are able to identify various factors through the experience of actual organizational life, and Khatri & Tsang [16] confirmed the conceptual model, and empirical evidence has been accumulated to confirm the validity of the empirical study. In addition, it is important to integrate the theory by introducing more proven objective concepts in studies using similar concepts to cronyism such as Korea pull and leverage. In practical point of view, it is possible to help companies find ways to respond by introducing the importance of awareness and consequences of corporate citizenship and introducing examples of various companies.

This study, however, did not deviate much from the theoretical view of Khatri & Tsang [16]. It is difficult to generalize the results because we analyze the cases of companies with different characteristics. Future research will be carried out on empirical studies considering various factors identified in this study.

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