

CALL FOR PAPERS

Asia Pacific Business Review Special Issue:

Governance Reforms in the South Korean *Chaebol*: Implications for Family Conglomerates in the Asia-Pacific and Beyond

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The recent announcement by a scion of the Samsung founding family, Jae-Yong Lee of Samsung Electronics, that labour unions would be legalized and father-son succession of the ownership and control structure of the family conglomerate ended, seems to signal the end of the *chaebol* governance structure that we know of. The South Korean chaebols have tenaciously maintained family ownership, succession, and managerial control, despite harsh criticism from society and hostile government policies against their governance structure (Jung 1995; Oh and Park 2001; Redding 2004; Rowley and Bae 2004; Rowley and Warner 2014; Warner and Rowley 2014; Oh and Jun 2016; Oh 2018).

This particularistic local governance structure of big family conglomerates was a result of the protracted threats from the consistently hostile governments that had tried to curb such family big businesses after the infamous precedent set by the US Occupation Forces in its purge of the Japanese *zaibatsu* conglomerates (Jung 1995; Oh 2018). However, what was pivotal in the study of the chaebols were their resilience and success not only in domestic, but also global, markets through technological and organizational innovations. Their unique family ownership and control was pivotal in the success of electronics and semiconductor firms like Samsung and their ultimate global victory over Sony, Panasonic, Toshiba, and other Japanese electronics giants (Jun 1987; Cherry 2003; Fitzgerald and Kim 2004; Chang 2008; Oh and Jun 2016).

However, during the heyday of chaebol development and growth, many social, economic, and political problems ensued one after another. Among these, corruption and labour suppression loomed large leading to political democratization in 1987 and the full legalization of labour unions in 1997 (Bae et al. 1997; Oh and Park 2001; Rowley 2003; Bae and Rowley 2003; Jun et al. 2019). In tandem with political democratization and political punishment for corruption, global financial crises that had hit hard South Korea in 1997 and 2008, augmented the pressure toward corporate governance reforms of chaebols despite their phenomenal business success throughout the 20th and the first two decades of the 21st centuries. The hostile governments in South Korea repeatedly targeted family ownership succession by imposing huge inheritance taxes, while imprisoning chaebol CEOs who evaded paying such taxes. Simultaneously, the social demand of meritocracy

and managerial professionalism at chaebols has accumulated into a social and political force, furthering the pressures of chaebol reforms (Rowley 2003; Redding 2004; Rowley and Bae 2004; Cho et al. 2014; Kim and Lee 2018; Oh 2018; Jun et al. 2019).

Despite the chaebol reforms in labour relations and corporate governance, Samsung remained adamant at preserving the infamous ‘no union’ policy and the father-son succession of ownership and control. The final blow against Samsung came after the election of the Moon government that had arrested the previous president for corruption, directly implicating Samsung in the process (Doucette 2017). Lee Jae-Yong, while still waiting for the final verdict from various court cases regarding the violation of inheritance tax laws, labour relations laws, and anti-corruption laws, finally gave in and openly announced the end of the ‘no union’ policy at Samsung and the ending of the father-son succession of the top managerial position in the chaebol.

Facing the abrupt conclusion of the chaebol corporate governance, *APBR* invites the submission of papers for a workshop and subsequent Special Issue that analyse chaebol governance from both theoretical and managerial perspectives. We are looking for works not only on the South Korean family conglomerates but also on their global implications for similar firms in the Asia Pacific and beyond. We are seeking papers that deal with the causes of corporate reforms in chaebols, reforms and chaebol performance, reforms and their social implications. Comparative studies of corporate reforms involving two or more family conglomerates in different countries are also invited. However, we are not including finance and accounting studies of corporate governance reforms.

Topics include, but are not limited to:

- Theories of corporate governance for family conglomerates
- Chaebol corporate governance and reforms
- The future of chaebol evolution
- Corporate governance reforms and performances in family conglomerates
- State-business relations toward governance reforms in family conglomerates
- Social and ethical implications of the governance reforms in family conglomerates
- Globalization and governance reforms in family conglomerates
- Organizational culture and resilience in family conglomerates
- Governance reforms and innovation in family conglomerates
- Implications for European and American family conglomerates

Timelines

Sep. 30, 2020: Deadline for abstracts

Oct. 31, 2020: Acceptance of abstracts

March 31, 2021: Deadline for the submission of completed papers

May 31, 2021: First review results

June 30: Submission of revised drafts
July 31: Final acceptance decision
Publication of Selected Papers in APBR in 2021

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