

Young Entrepreneurs in South Korea

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1. Introduction

Support for young entrepreneurs in South Korea is increasing and becoming more active. The economic environment for starting business is improving and also the number of young entrepreneurs is increasing. But young challengers are still not confident enough to start their own businesses. By interviewing young entrepreneurs, this research targets determining what perceived factors hold back young challengers from starting business and how startup entrepreneurs overcame those motivational factors.

Enterprise by under 30s..

"In Korea, where parents exercise a great deal of influence over their children, teaching as the preferred job of choice among school students may strongly reflect the parent's wishes. In other words, parents may be telling their children to take the safe, stable route." – Playing it safe (The Korean Herald, 2015).

In Korea, many parents tell their children to get safe job with stable income. Government service is another example which parents strongly suggest to children. It is not difficult to find students preparing for the exam to work as government officials. Teaching and government service reflect the strong Confucian perspectives historically central to Korean culture.

"Three out of 10 middle and high school students in a survey last year said that they had no job goals in mind" (The Korean Herald, 2015).

And there is not much difference with people in their early 20s. After graduating high school, students apply for bachelor program and after

four years, they generally begin searching for work at office environments aiming major companies like Samsung.

But, the entrepreneurial spirit is hard to find.

Where is the spirit of challenge, the willingness to take chance? (The Korean Herald, 2015)

Interview

Through interviewing two young Korean entrepreneurs, this research determines how young entrepreneurs in their 20s think and feel about starting up own businesses by asking questions of three categories; (a) the businesses they are in and what motivated them, (b) interviewees' point of view towards entrepreneurship in South Korea, and (c) factors that they think essential to encourage entrepreneurship in South Korea. Seung-Jae Lee, founder of Mana Company, and Jae-In Kim, who won the Best eBay Seller Award in Korea in 2015, participated in the interviews.

1. About the two interviewees

Seung-Jae Lee, the founder and chief manager of Mana Company, has strong motivation and drive. He has a dream of changing the society. He majored in venture business in college and learned how to build startup businesses and now he designs and manufactures idea products improving design of everyday consumer products.

Jae-In Kim, on the other hand, has different motivation and personality. As a university student in third year, he searched for activity in which can take action, more than studying through textbooks, something that can give experience in real life related to his business major. eBay had a low entry barrier, and enabled him to reach worldwide consumers. He aims for

building online shop for people around the world currently concentrating on soccer products. He is reaching a stable market position and now gives support to students who also dream of being one of the eBay sellers.

Despite different backgrounds and personality, something in common could be found in the two entrepreneurs. First, they believe that there is nothing which is 'safe'. There are no perfectly safe jobs. One day in the future, with or without own intention, anyone may find themselves looking for a new job. As the span of life gets longer, it is more likely to happen. Furthermore, the two entrepreneurs point out that it is important to have knowledge based on their own goals and aspirations.

Second in common is that both enjoy reading and imagining. Both insist that they enjoy reading because they can learn, indirectly, about various kinds of experiences.

Third, both have ultimate goals and regularly set specific targets for accomplishment. Both enjoy achieving challenging goals.

2. Young Entrepreneurs' Point of View towards Entrepreneurship in South Korea

Korean society generally considers that it is right or better to get a job in an office after graduating university, especially with secure firms. Family members sometimes push their children to get such jobs, even more strongly when the whole family gathers on the new year's day and Korean thanksgiving day, Ch'usök. Thus, young Koreans are less likely to think of entrepreneurship. Status/ranking is attached to traditional work as reflected in the iconic "Samsung Man".

Also, historically, Koreans considered getting a job at the palace or working as government officials and receiving recognition through hard study as a success and honor for the family. This Confucian theme continues and nowadays, is

peculiar phenomenon in Korean job market.

Large number of job searchers aim at either getting a job at the major conglomerates or study to pass exams to work as public officials. These are seen as stable secure career plans. Even in universities, because employment rate charges 10% of university assessment, many of them are also busy raising the percentage.

With a negative atmosphere in society towards entrepreneurship, young Koreans think starting up their own business is too risky, despite the fact that the two interviewees point out that nothing is perfectly safe. Mana representative points out that young people do not know how to make money and achieve success on their own.

Government and many companies support venture capital but in the view of some entrepreneurs the government support is not well publicized or organized enough compared to the US as the eBay best seller points out. The eBay seller suggests that venture capital firms require performances but small companies are unable to match the requirements and end up focusing on performing showmanship. On the other hand, Mana representative has positive aspect mentioning that there are at least 5-10 venture capitalists that he knows.

3. Factors to Encourage Entrepreneurship in South Korea

Parental support is necessary. Support on not pushing their children to become what they want them to become. Baby-boomers, X, Y generations all have different views on work and society, with different experiences and backgrounds. It is better to work toward an atmosphere where people can create their own enterprises.

Education is necessary. Some universities, for example, Hoseo University, aiming '1st Venture', highly support and provide environment for students to learn of the challenges and potential in entrepreneurship.

The university also provides investments for the startups. By bench marking such universities and encouraging other universities or educational institutes, students of entrepreneurship will be able to learn how to start and manage businesses, convert their ideas to products and also be supported by such institutions.

It is also important to encourage children to read, and experiment. Not only to encourage entrepreneurship, but also to introduce and lead them to the world, which is full of surprises and any unexpected possibilities.

Conclusion

Everything has positive and negative points. There is risk in any position and there is no such thing as a perfect safe zone. Running a business is one of them, or even can be safer in the aspect of that it is possible to define and manage risks in enterprise or business setting.

There are many venture capitalists that could invest in startups. It may be not well facilitated as in the US, but still, there is large number of investors to support. Crowd funding should be promoted.

The new challengers can be encouraged through education of how to convert ideas to products, how to manage system, and how to make money in the unique situation of startups. To encourage and make entrepreneurs feel confident, a change in society is required. To change society, parents support is necessary. They need to accept the difference in backgrounds and situations between generations and support what their children dream.

With support of society to encourage entrepreneurship, and support in education, young entrepreneurs in Korea will be successful and can grow in number and impact.

Notes:

Soo-Rok Park recently graduated Sejong University in Business Administration.

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