

Analysis of industrial relations & globalization strategy, with a focus on Korea's Hyundai Motor

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Abstract

The objective of this paper is to examine the changes in industrial relations due to the impact of the global strategy that has accelerated since the 1990s, and how trade unions are coping with the situation. For this purpose, I deal with globalization strategy, Hyundai Motor and key features of industrial relations. The globalization strategies of automobile companies have changed the labor market and industrial relations since the 1990s. One is the flexibility within the labor market, from an increase in non-regular and informal work. Especially, changes in production promote the division of regular workers and expansion of a variety of non-regular workers have been excluded from labor and social protections. Second is the change in the labor-management environment that traditional industrial relations in many countries have diversified due to the creation of overseas production bases as multinational corporations have expanded. These facts can be found in the globalization strategy of Hyundai Motor in the change of production methods ('modularization') and expansion into overseas production. As of 2013, Hyundai operates factories in 7 countries with 239 primary partners and pursues modularization that brought changes to the production systems as its globalization strategy. This paper deals with the Korean automobile industry in terms of features and trends, and changes in industrial relations. Following this, it's reviewed Hyundai's globalization strategy and features of its industrial relations. As a result of findings, this paper argues that unions have to actively seek solutions towards building an international solidarity network against the globalization of capital. In this regard, the role of the trade union at Hyundai Motor is essential to strengthening ties with unions and workers at overseas plants. Ultimately, such a network can become a springboard for promoting international industry-level agreements with Hyundai Motors.

Keywords: globalization, multinational company, Hyundai Motor, industrial relations, trade union, industry-level agreement

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