

Noncompliance with Parental Leave Provisions in Korea: Extending Institutional Research to a New Legal Context

Kyungmin Baek and Erin L. Kelly

We investigate Korean organizations' noncompliance with parental leave provisions. A survey of 1,750 organizations reveals that 19 percent are fully noncompliant (i.e., no policy in place) and 29 percent are partially noncompliant (i.e., acknowledged failure to implement policy). We examine whether organizational characteristics and conditions that predict responsiveness to US employment law are relevant in Korea and apply to a concrete parental leave requirement. Our results show that the predictors of full and partial noncompliance differ, suggesting different motives or processes among noncompliant organizations. Sector and size reduce the odds of full noncompliance but are unrelated to implementing parental leave policies. Having a human resources department predicts that only implementing adopted policies and gender traditionalism increase the likelihood of noncompliance. This is the first theoretically informed investigation of noncompliance with Korean parental leave laws and provides new evidence of the value of institutional perspectives on employment law beyond the US context.

INTRODUCTION

The parental leave provisions under the Equal Employment Opportunity Act¹ (EEOA) as amended in 2001 require that all Korean workplaces provide up to one year of job-protected paid leave to employed parents (both mothers and fathers) who wish to care for a child under one year of age. Using the Korean Workplace Panel Survey of 1,750 Korean workplaces surveyed in 2005, we find that 48 percent of the sampled establishments are in apparent violation of the parental leave provisions of the EEOA when surveyed four years after these requirements were added. Why do Korean organizations violate the parental leave provisions of the EEOA? What

Kyungmin Baek is a Ph.D. candidate in the Department of Sociology at the University of Minnesota. Please address all correspondence to baekx016@umn.edu.

Erin L. Kelly is Professor of Sociology at the University of Minnesota.

This article was supported by a Graduate Research Partnership Project grant from the University of Minnesota. An earlier version of this article was presented at the Department of Sociology Workshop at the University of Minnesota (December 8, 2009) and at the Annual Meeting of the American Sociological Association (August 17, 2010). We appreciate the comments and helpful suggestions of Elizabeth Heger Boyle, Minzee Kim, Phyllis Moen, Joachim Savelsberg, Christopher Uggen, and other colleagues in the Department of Sociology at the University of Minnesota.

1. The name “Equal Employment Opportunity Act” was changed to “Equal Employment Opportunity and Work Family Balance Assistance Act” in 2007. Because our data come from 2005, we use the older name.

predicts different types or forms of violations of the parental leave provisions under the EEOA in Korea?

This article extends the literature on organizations and employment law by examining the predictors of noncompliance in a different social and legal context and by considering different forms of noncompliance. An important line of research on law and organizations, described in more detail below, investigated organizational responses to a broad antidiscrimination mandate in Title VII of the Civil Rights Act of 1964 in the United States. Scholars claimed that organizations changed their policies and adopted new structures to signal compliance with those new employment laws and, importantly, that responsiveness varied by the visibility of the organization and the presence of human resources (HR) professionals who monitored the legal environment. These studies emphasized the ambiguity of the law (Edelman 1992) and the possibility that court cases and new regulations would significantly shift understanding of legal requirements (Dobbin and Sutton 1998; Kelly and Dobbin 1999), arguing that organizations varied in their attentiveness to this relatively complex and evolving legal environment and also that organizations influenced the eventual meaning of the law as courts came to accept common employer practices as evidence of compliance (Edelman 2008; Edelman et al. 2011).

This analysis of Korean parental leave policies contrasts with previous research in at least two ways. First, parental leave law (in Korea and elsewhere) sets up a concrete duty for employers to allow workers to take time off and then return to their jobs. The statute in this case is much less ambiguous than US civil rights law, with its broad injunction not to discriminate or harass but little guidance on what must be done by employers to demonstrate they are complying. That relative concreteness suggests that the previous findings about which organizations respond to the law and which do not may not hold; rather than organizational visibility and the presence of specialized professionals, for example, affecting compliance, it may be that employers' interest in retaining highly skilled workers and firm profits predict which organizations comply and which ignore the law. Second, Korean parental leave law is embedded in a civil law system in which court cases are not expected to influence the interpretation of the law in significant ways. The South Korean legal system is modeled on the modern European civil law system, particularly Germany's system (Yang 1989). The main principle of the civil law tradition is to provide written collections of the law, with the role of courts being more limited to ensuring the application of established laws (Glenn 2007). This suggests that employers would not need to monitor changing interpretations of laws as they move through the courts and, therefore, HR professionals and the responsiveness of peer organizations may not be associated with organizational policies as has been the case in the United States.

Our research is motivated by the possibility that the Korean legal context will affect how and which organizations respond to employment law; however, we also acknowledge that the civil law tradition recognizes, perhaps more and more over time, the value of precedents and judicial discretion (Dainow 1966; Merryman 1981; Del Duca 2006). In other words, there may be openings for legal uncertainty, even in a civil law system like Korea's, and this suggests that organizational visibility and the presence of professionals who attend to the shifting legal environment may predict organizational compliance in this context as well. Although there are previous studies about legal

compliance in countries with civil law traditions, this research has not considered legal uncertainty or the institutional perspective more generally; instead, these studies have focused on employers' rational evaluations of the relative cost and benefits of complying with and violating a given law (Koutalakis 2004; Cho and Kwon 2010; Kobayashi and Kerbo 2012). This study brings an institutional perspective, developed in research on US samples, to the question of Korean noncompliance and thereby extends both the US findings of organizational responsiveness to employment law and previous research in countries with civil law traditions.

Our second contribution is that we empirically examine different forms of noncompliance. Most previous studies use a dichotomous measure of compliance versus noncompliance (Ashenfelter and Smith 1979; Ehrenberg and Schumann 1982; Vaughan 1999; Gray and Shadbegian 2005), but Kelly's (2010) analysis of noncompliance with family leave law in the United States found different predictors for different forms of noncompliance. This article contrasts organizations that do not provide for parental leave in their employment rules (i.e., their formal policies) or collective bargaining agreements with those organizations that report they do not fully implement the parental leave provision, even though they have parental leave policies on the books. We call the outright lack of leave policies "full noncompliance" and cases where employers admit to not implementing parental leave policies "partial noncompliance." We consider a variety of predictors suggested by institutional theory, a deviant culture perspective, and a rational choice perspective to investigate which are associated with each type of noncompliance.

BACKGROUND: KOREAN LEAVE LAW AND TRADITIONAL CULTURE

Korean women's labor market participation increased from 34.4 percent in 1965 to 49.7 percent in 2001 (Statistics Korea 2001), and employed women have struggled to "balance" work and family responsibilities. In particular, the conflicts between work and family have frequently led to interrupted employment patterns among women.² To relieve the conflict, organizations from both the women's movement and the labor movement exerted pressure on the Korean government to bring maternity and employment issues to the front of its policy agenda (Sung 2003). In response to these pressures, the Korean government established the Equal Employment Opportunity Act (EEOA) in 1987 and required employers with at least five employees to provide parental leave benefits to female employees.

In response to continued discussion of work-family conflicts and worries about declining fertility, the government amended the EEOA in 2001 to strengthen parental leave requirements in several ways. First, all workplaces are now required to provide

2. The trend in female labor force participation in Korea can be represented by an M-shape curve; the first peak in the 20–24 age range reflects high participation before marriage and child bearing and the second peak in the 40–49 age range represents women's return to labor market after their children are older (Won and Pascall 2004).

parental leave. Second, up to one year of job-protected leave is now provided. The 2001 amendment both lengthened the amount of leave provided and, importantly, required employers to return the employee to the job held before the leave. Third, parental leave is now paid. A fairly low rate of approximately \$200 per month was put in place in 2001 through the period when the survey used here was fielded; the benefit was increased to \$500 per month in 2007. Fourth, fathers are eligible for parental leave regardless of their wives' employment status. This represented a change from the 1987 law, which covered mothers only, and from a 1995 amendment, which allowed men to take leave if they were "taking the place" of the child's mother. The revised text of the statute emphasizes the gender-neutrality of the parental leave rights, referring to fathers' care giving in positive terms and recognizing the rise of dual-earner households, like the Family and Medical Leave Act (FMLA) in the United States.³ Fifth, the penalties associated with noncompliance were strengthened, although fines for not providing parental leave are fairly minimal, at around \$5,000.

These 2001 reforms reflect an attempt to revise employment law to support working parents better and the law also challenges institutionalized assumptions about ideal workers who have sole or primary loyalty to their company. The provisions attempt to undermine traditional gender ideologies about division of labor in the family because they require work to accommodate family needs on a gender-neutral basis (Albiston 2005; Kelly 2010). These institutionalized assumptions about ideal workers and gender ideologies are also intertwined with one another. Gender scholars have argued that men are more likely to be such "ideal" workers because men are traditionally expected to be minimally involved in family obligations such as child care (Acker 1990; Moen and Roehling 2005) and this is as also the case in Korea (Kim and Park 2003; Sung 2003). Scholars agree that Korean cultural traditions—particularly Confucian culture—are important sources of these taken-for-granted expectations (Won and Pascall 2004). This Confucian culture emphasizes men's breadwinner role and women's roles as caregivers and mothers. Moreover, Confucian culture has emphasized hard work and diligence as taken-for-granted measures of an ideal worker (Kim and Park 2003) and leave taking, even for an ostensibly legitimate reason, seems to contradict those expectations. These norms provide the cultural context for all Korean firms but, as we outline below, there may be variations in the gender traditionalism of organizations that is associated with noncompliance.

As noted above, we find that 48 percent of surveyed workplaces (with thirty or more employees) were noncompliant as of 2005. A recent government report suggests that significant noncompliance continues; only 41 percent of workplaces with five or more employees had adopted parental leave policies as of 2010 (Korean Women's Development Institute 2011). This report described how the provision of parental leave policies varied by size and industry, but did not provide a theoretically informed analysis of organizations' responses to the parental leave law as we do here.

3. Although both the US Family and Medical Leave Act (FMLA) and the EEOA provide leaves to both parents, the EEOA parental leave provisions are more generous than the leave rights in the United States. The FMLA mandates only unpaid leave of up to twelve weeks for employees who have at least one year of tenure with the employer and work in an establishment with fifty or more employees.

THEORY AND HYPOTHESES

An Institutional Perspective

Neoinstitutional scholars have argued that organizations embedded within a given field confront social realities that guide their actions and encourage similar organizational structures and policies across diverse organizations (Meyer and Rowan 1977; Scott 2008). Three types of institutional pressures have been identified—coercive, normative, and mimetic (DiMaggio and Powell 1983)—and a central claim is that organizations demonstrate their legitimacy by acting in accordance with the broader institutional environment rather than necessarily crafting their structures and policies to fit their specific needs. Empirical research has, therefore, examined which organizations seem more attuned to the broader institutional environment and shown that this predicts the adoption of new structures, policies, or practices as much or more than do indicators of the firm's need to adopt.

As noted above, there is a substantial body of empirical research concerning organizational responsiveness to “coercive pressures” in the US context. Scholars of law and organizations have shown that the practical meaning of the law is not located solely in legal texts but develops through interactions between legal institutions and various social actors, including the regulated employers and their agents, in an iterative and recursive way (Edelman et al. 2011). This body of research documented the widespread adoption of equal opportunity policies, grievance procedures, designated equal opportunity officers, specialized HR departments, and sexual harassment policies, as employing organizations and their advisors in law and HR, the business press, and the courts hashed out what antidiscrimination law implies or requires (Edelman 1990, 1992; Sutton et al. 1994; Sutton and Dobbin 1996; Dobbin and Sutton 1998; Dobbin et al. 1998; Edelman, Uggen, and Erlanger 1999; Dobbin and Kelly 2007; Dobbin 2009).

In this study, we examine whether the organizational traits that predict responsiveness to employment law in that literature are relevant for understanding non-compliance with Korean parental leave law. This institutional analysis has provided a powerful perspective on the construction of legal pressures within organizational fields and yielded some consistent empirical findings. These include the relevance of firm size and the presence of HR professionals for understanding variation in organizations' adoption of policies and structures that are tied to employment law. But, as we described above, there are at least two reasons to question whether these findings will hold in this context. First, parental leave law provides relatively concrete direction to employers, while the US literature cited above makes much of the ambiguity of the law to explain why organizational visibility and professionals who attend to the legal environment predict the adoption of new policies and structures. Second, the civil law system in Korea may make it simpler for organizations to comply with employment law because the adoption of a new statute lays out what employers can expect they need to do, with less possibility that new court cases or administrative regulations will take the interpretation of the law in a new direction. In short, in this case, there may well be less systematic variation across organizations in how they “read” the legal environment because there is less uncertainty in the law. So the hypotheses

associated with the institutional perspective may not be supported in this legal context. We describe those hypotheses in detail next.

Attentiveness to the Legal Environment

It seems logical that the organizational traits that have predicted responsiveness to the legal environment in previous research should be negatively associated with non-compliance, if noncompliance is understood as insensitivity to institutional pressures (Oliver 1991; Ingram and Simons 1995; Kelly 2010). Drawing on previous research on law and organizations (which utilizes US samples), we hypothesize that noncompliance with Korean parental leave provisions under the EEOA will be negatively related to organizational visibility. Public-sector organizations and larger organizations are more visible to outsiders, including the press and regulators (Kim 1997; Baek, Kelly, and Jang 2012). These organizations also operate in an environment where rule-based governance is highly institutionalized (Edelman 1990; Kalleberg and Van Buren 1996). In particular, public-sector organizations are more likely to be exposed to and responsive to legal mandates in the United States and presumably in Korea as well (DiMaggio and Powell 1983; Baron, Dobbin, and Jennings 1986; Goodstein 1994; Frumkin and Galaskiewicz 2005). Larger organizations are expected to be more visible to the general public and so more careful about compliance. Within Korea, there are well-established big business groups (*chaebols*) that have historically had a strong influence on all parts of Korean society and have attracted considerable public attention to themselves (Kim 1997). In this context, membership in the big business groups is an important indicator of a firm's visibility and may increase its attentiveness to the legal environment. We expect that:

Hypothesis 1: *Highly visible organizations are less likely to be noncompliant with the parental leave provisions.*

We also expect that noncompliance with Korean parental leave provisions will be negatively associated with organizational linkages to the external environment. US studies have emphasized the role of HR professionals as a key channel between the organization and the legal environment (Strang and Meyer 1993; Ingram and Simons 1995; Kelly and Dobbin 1999; Kelly 2003; Dobbin and Kelly 2007). HR departments have a cadre of experts who are aware of HR management and legal mandates affecting employment conditions. Therefore, organizations with a distinct HR department are more likely to adopt parental leave provisions and to have the staff and administrative infrastructure (e.g., forms, training of line managers) to implement parental leaves fully. Additionally, though, organizations where personnel are involved in professional HR activities such as attending HR conferences or reading specialized journals are attentive to the legal environment, even if a distinct HR department is not present in a given workplace. We also expect that organizations where HR is reported to be more influential will be less likely to be noncompliant with the parental leave law. Previous studies of HR's role in responding to employment law have not been able to measure involvement in specific HR professional activities or reported influence of HR within the organization.

We also investigate linkages to the institutional environment—the governance structure and foreign ownership—that have not received as much attention in the law and organizations literature. Organizations with outside boards of directors are expected to comply with laws and social norms because boards may review and evaluate company policies for compliance (Jensen and Meckling 1976; Baysinger and Butler 1985), as compared to firms where top management consists of owners. It is also plausible that organizations with some foreign ownership are more likely to be exposed to changing institutional environments and global standards, including shifting expectations regarding family leaves. Organizations with foreign ownership are expected to be more likely to comply with the social norms and with associated laws (Guler, Guillén, and Macpherson 2002; Drori, Jang, and Meyer 2006). Therefore, we hypothesize that:

Hypothesis 2: Organizations exposed to institutional pressures via involvement of HR professionals, outside monitoring, or foreign ownership are less likely to be noncompliant with the parental leave provisions.

Sustained Influence of Old Institutions

Institutions are socially and cognitively constructed “rules of the game.” They are generally self-sustaining and constrain the behavior of social actors (Meyer and Rowan 1977; DiMaggio and Powell 1983; North 1990; Jepperson 1991). For institutions to change, older institutions must be challenged and delegitimized and then new institutions may replace them (Seo and Creed 2002). However, new institutions might fail to replace older ones fully when the older institutions are still sustained in some quarters or to some extent. As a result, individuals within organizations face “competing institutions” in which contradictory behaviors or policies are suggested and legitimated by different institutional perspectives (Heimer 1999; Kraat and Block 2008). Noncompliance might occur when the influence of old institutions within workplaces continues despite legal pressures for change (Albiston 2010; Kelly 2010).

As we outlined above, parental leave provisions under the Korean EEOA attempt to erode patriarchal gender ideologies and a vision of a devoted and loyal ideal worker based on Confucian cultural tradition (Kim and Park 2003; Sung 2003; Won and Pascall 2004) by pushing for parents—both men and women—to be allowed to take significant time off from work for care giving. However, the older institutions could win out in some contexts, even in the face of the coercive pressures from the government. For example, Albiston’s (2010) analysis of employment law in the United States discusses how “institutionalized time norms” are often used by judges to override legal requirements to accommodate disabled workers by allowing part-time and modified schedules. These time norms—specifically the institutionalized expectation that workers will have no obligations that compete with their work duties—are directly challenged by the FMLA’s leave mandate (Albiston 2010). Still, when noncompliance with family leave laws occurs in the United States, it reveals

the continued power of institutionalized norms and expectations and gender traditionalism, in particular (Albiston 2005; Kelly 2010).⁴

Because gender traditionalism is strong within Korean culture generally, it is challenging to identify which organizations are more likely to have traditional gender regimes than others. We attempt to do so by investigating whether parental leave noncompliance is associated with two organizational traits: sex composition of the workforce and previous enactment of other work-family policies. First, we expect that organizations depending on a predominantly male workforce are likely to adhere to gender traditionalism. Second, we also anticipate that organizations that have adopted other gender-neutral work-family policies (such as flex time and child care benefits) will be more open to the gender-neutral leave rights. Conversely, those that have few work-family policies in place may be more committed to the ideal worker norm that suggests all family needs should be taken care of within the family (usually by women who leave the labor force to do so). Therefore, we hypothesize that:

Hypothesis 3: Organizations with stronger gender traditionalism are more likely to be noncompliant with the parental leave provisions.

We also expect that old institutions will be more likely to continue if organizations do not have an adequate infrastructure that assists employees attempting to utilize their rights. In addition to the function of monitoring the institutional environment, HR departments provide an established venue for employees who wish to learn about their leave options and be guided through the process of mobilizing those rights. Additionally, internal communications channels (such as newsletters and meetings with top management) may also help employees learn about and mobilize their employment rights (Harlan and Robert 1998; Albiston 2005). In other words, employees may be able to use internal communications channels to learn about coworkers' experiences with taking leave and to discuss possible responses to anticipated conflicts regarding leave. Finally, unions can play an important role in pressuring employers to adopt new policies associated with employment laws and also in informing employees of their legal rights. Research on family leave in the United States finds that unionized employees are more likely to know about their leave rights (Budd and Brey 2003; Kramer 2008) and that unions help employees respond when employers hesitate to allow a leave (Albiston 2005). Based on the argument above, we hypothesize that:

Hypothesis 4: Organizations without more developed internal infrastructures (i.e., an HR department, more communication channels, and unions) are less likely to be noncompliant with parental leave provisions.

4. Kelly (2010) finds that noncompliance regarding maternity leave often reflects the legal requirements of the late 1970s and so the continued influence of previously institutionalized policies. Her finding that noncompliance regarding paternity leave reflects the continued power of traditional gender norms is more salient to this analysis.

Contrasts Between Two Types of Noncompliance

We examine two forms of noncompliance with parental leave provision under the Korean EEOA in this article. Full noncompliance means that employers do not provide parental leave in their formal written policies in the official rules of employment, collective agreements, and other company policies.⁵ Partial noncompliance refers to the admitted failure to implement the leave policies that are on the books fully. (The survey measures are detailed in the methods section.)

Distinguishing between forms of noncompliance extends institutional theory on variation in organizational responses to institutional pressures in the external environment (Oliver 1991; Ingram and Simons 1995) and recent findings on forms of noncompliance with US family leave laws (Kelly 2010). Oliver (1991) suggests that full noncompliance (i.e., ignoring institutional pressures) is more likely to occur when organizations are less involved in the institutional environment. Goodstein (1994) finds that organizations ignore institutional pressures to adopt either dependent care or flexible work options when they are less attentive to institutional environments and when they are exposed to divergent perspectives among organizational constituents. Building on this limited literature, we suggest that:

Hypothesis 5: The measures of organizational visibility and linkages to the institutional environment may predict full noncompliance, while not being associated with partial noncompliance.

Indeed, Kelly (2010) found that public-sector organizations were less likely to be fully noncompliant with US parental leave laws. In that study, size was associated with multiple types of noncompliance and big business groups, foreign ownership, and governance structure were not measured.

Oliver (1991) also suggests that avoiding the actual implementation of policies, while putting them on the books, signals “acquiescence” to the external pressures but a desire to continue existing organizational routines. In other words, although organizations are pressured to adopt policies, organizations may then refuse to implement those policies fully when they conflict with established interests and values (Meyer and Rowan 1977; Westphal and Zajac 2001). For parental leave, it may be easy to adopt leave policies but then fail to implement said policies that conflict with well-established expectations about workers’ dedication to the organization and gender traditionalism that promotes women’s full-time care giving rather than supporting men’s and women’s dual responsibilities to paid work and care giving.

Partial noncompliance may also be more likely to occur when organizations do not have dedicated staff or fully developed structures for implementing a given policy. As discussed above, *an HR department, internal communications channels, and unions* should all predict less noncompliance, but these traits *may be more closely associated with less partial noncompliance in particular*. In other words, HR and unions may encourage organizations to attend to the law by adopting parental leave policies but they may be

5. According to the Korean Labor Standards Act, employers are required to reflect changes in employment laws in their rules of employment.

especially helpful in carrying out policies that are adopted. In partial support of this claim, Kelly (2010) found that organizations with HR staff on site were less likely to have illegally short maternity leaves (which can be understood as a specific type of partial noncompliance) in a study of US family leave policies. We suggest that:

Hypothesis 6: Organizations with greater gender traditionalism and fewer internal infrastructures are especially likely to be partially noncompliant.

Deviant Culture Perspective

Both organizational theory and criminological research point to the importance of “peers” to explain compliance or noncompliance, but previous law and organizations research has not effectively measured the influence of “peer” organizations. A deviant culture perspective suggests that when noncompliance is more common within an organizational field, the violation may be excused because that is “what everyone else is doing” (Coleman 1998; Vaughan 1999; Kelly 2010). This perspective is quite similar to the mimetic isomorphism in neoinstitutional theory. Both theoretical perspectives emphasize that organizations are affected by their peers’ responses to legal environments (Braithwaite 1984; Kelly 2010).

These perspectives do not imply that all other organizations will be equally influential. Organizations copy and make sense of their environment on the basis of the behaviors of their reference group (Ring and Van de Ven 1992; Lee and Pennings 2002). From a population ecology framework, some research has argued that competition among organizations of a similar size can be more intense within the same population (Baum and Mezias 1992; Wholey, Christianson, and Sanchez 1992; Ingram and Inman 1996). In other words, so-called size-localized competition may be a key to understanding organizational behavior in a population. One of the main arguments regarding size-localized competition is that organizations of a similar size in the same region have shared resources and may use one another as a reference group for their decision making. We extend this to argue that when many similarly sized organizations in the same region resist or ignore a legal requirement, the focal organizations may be more likely to be noncompliant, too. Accordingly, we can expect that:

Hypothesis 7: When more similarly sized organizations in the same region are noncompliant, organizations are more likely to be noncompliant with the parental leave provisions.

Rational Choice Perspective

The hypotheses above emphasize the social and normative dynamics that affect organizational responses to the law. An alternative perspective argues that noncompliance is associated with strategic and deliberate evaluation of the relative costs and benefits of complying with or violating a given law (Ashenfelter and Smith 1979). In the case of the parental leave provision of EEOA in Korea, the costs and benefits of

compliance and noncompliance probably depend on the number of workers who are likely to make use of the policy and/or the likely responses of workers to violations of the law, the cost of replacing workers, and the level of financial strain in the organization.

Research on the provision of work-family policies in the United States suggests that organizations that are highly dependent on women workers may be more likely to provide parental leave. Work-family policies such as parental leaves are expected to increase recruitment and retention among women, for whom they are more salient because of gendered family responsibilities (Osterman 1995; Konrad and Mangel 2000; Davis and Kalleberg 2006). Noncompliance with parental leave law would be less likely, therefore, in organizations that have a high percentage of women in the workforce. Note that this expectation arising from a rational choice perspective is consistent with the gender traditionalism hypothesis above, in that both predict greater noncompliance in organizations with higher percentages of men.

In addition, organizations that depend on a highly skilled workforce such as professionals and employees in managerial positions are more likely to have work-family policies; this has been a consistent finding in the US literature (Osterman 1995; Glass and Estes 1997; Konrad and Mangel 2000; Kelly 2003; Davis and Kalleberg 2006). These workers have the power to negotiate their leave benefits and employers are willing to provide those benefits to retain and recruit highly trained or skilled employees. Such employees are usually in high demand, relative to their supply, and it may be difficult and costly to replace them (Glass and Fujimoto 1995; Deitch and Huffman 2001). Research on Korean organizations also finds that organizations that depend on workforces with professional or managerial positions are more likely to provide numerous work-family policies for those employees (Baek, Kelly, and Jang 2012).

Criminologists have reported that corporate crime and violation of laws are more likely when organizations fail to meet financial performance expectations (Vaughan 1999). Poor financial performance by firms is likely to propel organizations to search for money-saving or money-making opportunities to relieve their economic strain (Thornton, Kagan, and Gunningham 2009). Poorly performing firms would be concerned with the cost of providing parental leaves and be more likely to violate the leave law requirements. On the other hand, strong financial performance will decrease the likelihood of noncompliance. Based on a rational choice perspective, we hypothesize that:

Hypothesis 8: Organizations that are interested in recruiting and retaining workers who value parental leave and those that can better afford to provide leave are less likely to be noncompliant with the parental leave provisions.

DATA AND METHODS

Data and Sample

The data used here come from the 2005 Korea Workplace Panel Survey (KWPS) collected by the Korea Labor Institute, a government-funded policy research

organization.⁶ The study design is modeled on the Workplace Employee Relation Survey (WERS) of the United Kingdom and Workplace Employee Survey (WES) of Canada (Han and Koo 2010). The goals of this survey are to understand the contemporary employment structures and labor demands in Korean organizations and to assess the HR policies of companies in order to inform government policy.

Participating establishments were selected by the stratified sampling of all private- and public-sector workplaces with more than thirty employees. Eligible organizations are private-sector workplaces (establishments) listed on the “Workplace Demographics Survey” issued by Statistics Korea with thirty or more employees, as well as a subsample of public-sector organizations, including government agencies and local state-owned enterprises. Of the 3,552 eligible workplaces, the survey was completed in 1,905 workplaces. The response rate is about 53.6 percent. These surveys were conducted through face-to-face interviews with HR and industrial relation managers and with worker representatives in the sampled establishments. The data also included corporate profile information, including financial and employment data. These data are limited because they cover only a cross-section of the organizational traits associated with the provision of work-family benefits. While not ideal, this is typical for research on this subject (Goodstein 1994; Ingram and Simons 1995; Osterman 1995; Davis and Kalleberg 2006; Kelly 2010; Lee and Kim 2011). Due to some missing values for independent variables, we use 1,750 establishments for our final analytical sample.

Measures

Dependent Variables

We measure full noncompliance with a question about whether a parental leave policy was included in the official rules of employment, collective agreement, and other company policies. Partial noncompliance is assessed with a question that asks whether each policy in a list is “actually implemented” within the workplace;⁷ we coded partial noncompliance when a policy was in place and the respondent answered “no” to the question of actual implementation. We coded parental leave compliance such that 0 = no policy adopted, 1 = report that policy was adopted but not fully implemented, and 2 = full compliance as reported on the survey.⁸ Of course, the noncompliance (full and partial) reported in this survey is likely an underestimate of the actual difficulties faced

6. The KWPS is funded by the National Research Council for Economics, Humanities and Social Science (approval number: 33603), and supported by the Ministry of Labor, Korea Employers Federation, the Korean Labor Economic Association, Korea Industrial Relations Association, Korean Sociological Association, and Korean Academy of Management.

7. To check our understanding of what was meant by the response “actually implemented,” we contacted the Korean Labor Institute that developed and administered the survey. Research staff report that actual implementation in the questionnaire referred to cases in which employers allow employees to use the leave once employees requested it. Field interviewers were trained to provide this interpretation to respondents if needed.

8. We drop fourteen cases that report that although they do not have the formal written policy for parental leave, they fully implement the policy in their workplace. Because of the legal requirement to have a written policy, this is a form of noncompliance but it does not fit into our two types.

by employees who wish to utilize the parental leaves promised in the law (Sung 2003; Albiston 2005; Korean Women's Development Institute 2011).

Independent Variables

Descriptive statistics of independent variables are provided in Table 1. The measures associated with organizational visibility are whether organizations are public-sector agencies, size in terms of number of employees, and whether organizations are members of big business groups. The total number of employees at the location is used to measure the establishment size and we use natural logarithms to accommodate the distribution of this left-skewed variable. Our indicator of membership in Korean big business groups (*chaebols*) is based on a question asking whether the organization is restricted by "the equity investment ceiling system" and "a regulation to control cross-shareholding." These two regulations are intended to limit the expansion of conglomerates in Korea. Therefore, organizations covered by these regulations are those that are members of the largest business groups in Korea (Baek, Kelly, and Jang 2012). To measure whether an organization belongs to the public sector, we use records from the sampling frame.

TABLE 1.
Descriptive Statistics

	Observations	Mean	SD	Min.	Max.
<i>Institutional Perspective</i>					
Public sector	1,750	0.114	0.318	0	1
Size (ln-employees at location)	1,750	5.182	1.211	3.091	9.464
Big business groups	1,750	0.135	0.342	0	1
HR department	1,750	0.701	1.392	0	1
Professional HR activities	1,750	2.486	1.583	0	5
Influence of HR profession	1,750	3.662	0.568	1.333	5
Management by owners	1,750	0.417	0.493	0	1
Foreign ownership	1,750	7.982	22.306	0	100
% of male workforce	1,750	71.313	23.555	0	100
Other work-family policies	1,750	0.36	0.625	0	3
Communication channels	1,750	4.026	2.216	0	9
Union	1,750	0.409	0.492	0	1
<i>Deviant Culture Perspective</i>					
% of size-localized full noncompliance	1,750	0.199	0.163	0	0.833
% of size-localized partial noncompliance	1,750	0.278	0.091	0	1
<i>Rational Choice Perspective</i>					
% of professionals	1,750	11.178	22.667	0	100
% of employees in managerial positions	1,750	7.559	9.127	0	100
Perceived firm profits	1,750	3.171	0.79	1	5
<i>Control Variables</i>					
Firm age (ln-organizational age)	1,750	2.799	0.78	0.095	4.805
Manufacturing industry	1,750	0.349	0.477	0	1

The measures associated with professional and organizational linkages to institutional environments are the presence of a distinct HR department, number of professional HR practices, the influence of HR management, corporate governance structure, and foreign ownership. The survey asked whether the establishment had a distinct HR department.⁹ The indicator of professional HR activities is the sum of the responses to five questions about the organization's involvement in professional HR activities. These questions included whether the workplace subscribes to more than one HR magazine, whether the person in charge of HR regularly attends conferences with representatives from other corporations, whether the organization receives information concerning HR professional associations and conferences, whether the workplace conduct is benchmarking best HR practices from other successful organizations, and whether the workplace has worked with consulting firms (0–5).¹⁰

The influence of HR management is the average of responses to six questions asking about the extent of integration of HR management issues with business strategies, the extent of the contribution of HR management to business strategies, the extent of influence on the decision making of the CEO, the extent of compatibility of HR management with business strategies, the extent of recognition of the HR department as a pioneer of change and as a major partner in business, and the extent to which HR management appropriately supports the achievement of business goals.¹¹ These questions are answered on Likert scales ranging from 0, “not at all,” to 5 “absolutely.”

To measure the type of governance structure, we use a question about the management system of the parental company. This question includes these responses: (1) an ownership management system where the owner has the authority to make most decisions and directly oversees management activities; (2) an owner-centric management system where a professional manager is entrusted with management of the company but where very little authority is transferred to the manager; (3) a system where much of the management authority is transferred to a professional manager but the owner still retains authority over major management decisions involving executive-level personnel management, new investment, and the like; (4) a professional management system that is completely independent from the influence of the owner, where ownership and management are completely separate; and (5) none of the above. We use (1) to measure “management by owner” and other categories in the question as the reference category. To measure foreign ownership, respondents are asked in the survey about the percentage of foreign ownership in the parent company.

The measures associated with the influence of gender traditionalism include the percentage of male employees in the establishment and the number of other work-family

9. The correlation between HR department, the number of HR activities, and the level of HR influence does not suggest a problem with multicollinearity, nor does an examination of VIF statistics. Workplaces without a distinct HR department sometimes still report a high level of professional HR activities and strong influence of the HR professionals. In these data, 50 percent of workplaces with an HR department have engaged in at least four professional HR activities listed in the survey, as compared to 22 percent of workplaces without a distinct HR department. The mean of HR influence is lower in workplaces without a distinct HR department, but still averages 3.59 representing “somewhat influential” to “influential.”

10. The Cronbach alpha value for this index is .68.

11. The Cronbach alpha value is .88.

policies. To measure the presence of other gender-neutral work-family policies, we use the sum (0–3) of the presence of flex time, child care facilities, and child care subsidies.

The measures associated with the internal administrative infrastructure include the number of internal communication channels and the presence of unions. The number of communication channels among employees and top management are measured by the sum of responses to the following nine questions about the presence of various communication channels within workplaces (0–9). These questions are (1) whether organizations have implemented regular meetings between the CEO and all employees, (2) whether top management regularly visits worksites to meet employees, (3) whether there is a hotline to enable direct communication with the top management, (4) whether there are regular meetings among teams or workgroups in vertical organizations, (5) whether regular employee surveys have been conducted to collect information about employee attitudes, (6) whether a workplace newsletter has been regularly published, (7) whether there is an internal bulletin board, (8) whether email circulation has been conducted to disclose management-related information, and (9) whether a workplace intranet has been set up to share management-related information.¹² We measure the presence of unions with a simple dichotomous response to the survey question “Is there a union in your workplace?” This may understate the effects of unions on parental leave policies and implementation, since research in the United States suggests that different unions are more or less committed to promoting work-family policies (Gerstel and Clawson 2001).

To measure the “peer” effects related to a deviant culture perspective, we use the percentage of size-localized noncompliance. We first constructed a basic size-localized noncompliance measure (which was not significant in any models) but then considered that organizations may be influenced differently by the proportion of peers who are fully noncompliant and partially noncompliant.¹³ This speculation leads us to separate the two types of size-localized noncompliance rates in the model. We use the following steps to measure two types of size-localized noncompliance rates: (1) we construct forty-eight cells from sixteen Korean administrative districts¹⁴ by three organization-size categories measured by the total number of employees (large, middle, small), (2) we calculate the sums of each type of noncompliance with parental leave provisions within each cell, (3) we subtract 1 from the sums of each type of noncompliance within each division calculated from the previous procedure if the focal organization is noncompliant with the parental leave provision, and (4) we subtract 1 (for focal organization) from the number of total organizations within each division and divide the numbers from procedure (3) with them. This constructs two measures of size-localized noncompliance that exclude the focal organization to reflect full and partial noncompliance rates of that organization’s peers.

The measures associated with rational choice perspective explanations are the percentage of female workforce at the establishment (described above), the percentage

12. The Cronbach alpha is .71.

13. We thank a reviewer for questions leading to this specification.

14. KWPS questionnaires include sixteen administrative districts: Seoul, Busan, Daegu, Incheon, Gwangju, Daejeon, Ulsan, Gyeonggi-do, Gangwon-do, Chungcheongbuk-do, Chungcheongnam-do, Jeollabuk-do, Jeollanam-do, Gyeongsangbuk-do, Gyeongsangnam-do, and Jeju-do.

of the workforce with a professional or paraprofessional position at the establishment, the percentage of employees in managerial positions at the establishment, and the financial performance of a given establishment. Objective financial performance data such as organizational net income are not available in the data set (and would be limited to private-sector firms). Instead, the KWPS data provided perceived organizational performance data, which previous studies have found useful measures to correlate positively with actual organizational performance (Delaney and Huselid 1996). To measure perceived performance, we use the question assessing respondents' perceptions of their organization's financial performance compared to other organizations in the same industry. The response categories range from 1, "worse," to 5 "much better."

Control Variables

Our models include two additional variables that we treat as controls: age and manufacturing industry. Age may have mixed effects on the compliance with parental leave provisions. On the one hand, older organizations may be less likely to have and fully implement parental leave as part of a general inertia (Hannan and Freeman 1977). On the other hand, older organizations might be more likely to adopt and fully implement the parental leave because they have accumulated knowledge and experience about the importance of responding to market and institutional demands for employee welfare (Cohen and Levinthal 1990). To measure organizational age, we subtract the organization founding year from the survey year and then we employ natural logarithms to accommodate the distribution of left-skewed organizational age.

Previous research on US samples found that the manufacturing sector is more likely to be dependent on firm-specific skills and that these kinds of organizations have traditionally been more likely to offer and implement employee benefit programs than other organizations (Gordon, Edward, and Reich 1982). However, the Korean manufacturing sector is a strongly male-dominated industry and this sector might be less likely to provide parental leave benefits than other sectors. We include a dichotomous variable for manufacturing industry in our model.

Model and Estimation

Because we conceptualize noncompliance as a categorical variable taking different forms, we estimate multinomial logit models (Long and Freese 2003). This model summarizes how a variety of organizational traits and environmental conditions are associated with the likelihood that an organization has no leave policy on the books (relative to full compliance, meaning the implementation of a parental leave policy) and the likelihood that an organization adopts a leave policy but does not fully implement it (again relative to full compliance). We also estimate a second set of models to examine the predictors of full noncompliance (i.e., having no leave policy) as compared to partial noncompliance (i.e., having the policy but not fully implementing it); this involves changing the reference category in the multinomial models to highlight differences between the two forms of noncompliance. Although the terms partial and

full noncompliance imply more or less responsiveness to the law, and so might be analyzed with an ordered logit or probit model, we contend that these forms of noncompliance may have different predictors—reflecting different motives or processes within the organization (Westphal and Zajac 2001; Kelly 2010).¹⁵ Multinomial logit models allow us to investigate this and we also estimated multinomial probit models as a sensitivity test; all substantive findings were similar to the models reported here (models available upon request).

RESULTS

Despite the changes in the Korean EEOA in 2001 and the broader social concerns that undergird the law, many workplaces still violate the parental leave provision of this law. In this sample of 1,750 Korean establishments, 52 percent seem to be fully compliant, 29 percent are partially compliant with a policy on the books that is reported as not being implemented, and 19 percent are fully noncompliant with no policy in place.¹⁶ The multinomial logistic regression findings in Table 2 also show the benefits of analyzing distinct types of noncompliance: full noncompliance and partial noncompliance, since different organizational traits predict the two types of noncompliance. The first column of Table 2 summarizes how predictors from the three perspectives affect the likelihood that an establishment would not have parental leave, as opposed to the full implementation of the parental leave provisions. The second column summarizes how predictors affect the likelihood that an establishment would have parental leave on the books but admit it is not implemented, again as compared to the full compliance condition of having an implemented parental leave policy. Changing the base category in the multinomial logit models, we are also able to investigate significant contrasts between the two types of noncompliance. The comparison of the effects of predictors for the two types of noncompliance is reported with the superscript “a” in Table 2.

Organizations that are more visible—as indicated by sector and size—are less likely to be noncompliant. Establishments in the public sector are more likely to implement the parental leave provision fully rather than failing to adopt a parental leave policy, as expected in Hypothesis 1. With all other variables at their means, the predicted probability of having no parental leave is 0.03 for public-sector establishments and 0.14 for private-sector establishments. However, public-sector organizations are no more or less likely to be partially noncompliant than to be fully compliant. The Appendix shows that public-sector organizations are less likely to be fully noncompliant than to have

15. In addition to our conceptual concern with ordered logistic regression, these models assume the proportional odds among each pair of outcome groups. A likelihood-ratio test of proportionality did not support this assumption. Therefore, multinomial logistic regression producing multiple sets of coefficients is more appropriate for both substantive and statistical reasons.

16. The analytic sample here is 1,750 establishments from a survey sample of 1,891 cases. Most missing values are related to missing data on the survey question for perceived organizational performance. For a robustness check, we dropped that variable and tested the statistical model with all 1,891 cases. The results were very consistent with findings reported here. In addition, the rates of three types of compliance among the 1,891 cases are almost same as the analytical sample: 53 percent are fully compliant, 28 percent are partially compliant, and 19 percent are fully noncompliant.

TABLE 2.
Multinomial Logistic Regression of Noncompliance with Parental Leave, Compliant Leave as Base Category

	Full Noncompliance	Partial Noncompliance
<i>Institutional Perspective</i>		
Public sector	-1.768*** ^a (0.456)	-0.367 (0.219)
Size (ln-employees at location)	-0.588*** ^a (0.110)	-0.091 (0.078)
Big business groups	-0.148 (0.281)	0.171 (0.181)
HR department	-0.263 (0.202)	-0.645*** (0.152)
Professional HR activities	-0.102 (0.057)	-0.031 (0.045)
Influence of HR profession	-0.004 (0.140)	-0.105 (0.115)
Management by owners	0.458** (0.165)	0.137 (0.135)
Foreign ownership	-0.006 (0.004)	-0.004 (0.003)
% of male workforce	0.020*** ^a (0.004)	0.008** (0.003)
Other work-family policies	-0.810*** ^a (0.182)	-0.247* (0.104)
Communication channels	-0.198*** ^a (0.044)	-0.074* (0.032)
Union	-0.018 (0.195)	-0.088 (0.145)
<i>Deviant Culture Perspective</i>		
% of size-localized full noncompliance	0.604 (0.550)	1.068* (0.459)
% of size-localized partial noncompliance	1.351 (0.833)	0.011 (0.695)
<i>Rational Choice Perspective</i>		
% of professionals	-0.013*** ^a (0.004)	-0.002 (0.003)
% of employees in managerial positions	-0.015 (0.009)	-0.010 (0.007)
Perceived firm profits	-0.191 (0.100)	-0.046 (0.076)
<i>Control Variables</i>		
Logged firm age	0.021 (0.108)	-0.024 (0.085)
Manufacturing industry	-0.128 (0.161)	0.396*** ^a (0.131)
Constant	1.919* (0.940)	0.344 (0.720)
Observations	1,750	1,750

^a Contrast between full noncompliance and partial noncompliance significant $p < .05$. See also the Appendix. Standard errors in parentheses. *** $p < .001$; ** $p < .01$; * $p < .05$.

unimplemented parental leave policy on the books. Similarly, larger organizations are less likely to be fully noncompliant; size encourages the adoption of formal parental leave policies. However, size does not predict partial noncompliance as compared to full compliance. These findings lend support to Hypothesis 5; sector and size are related to full noncompliance but do not predict whether an organization implements an adopted parental leave policy. Membership in a big business group (*chaebol*) is not associated with noncompliance, of either type, with parental leave law.

Organizations with more extensive ties to the institutional environment are less likely to be noncompliant (as suggested by Hypothesis 2), but we find different predictors for full and partial noncompliance (in partial support of Hypothesis 6). HR departments help implement parental leave policies (but do not encourage or discourage their adoption in the first place). Holding all other variables at their means, the predicted probability of the failure to implement the leave for organizations with HR departments is 0.23 and is 0.36 for organizations without HR departments. Organizations directly managed by owners are significantly less likely (than those run by professional managers) to have any parental leave in place. The predicted probability of having no parental leave is 0.14 for the organizations directly managed by owners and 0.10 for organizations run by professional managers. Building on the sector and size findings, we suggest that visibility be extended to consider whether outside directors are involved in deciding organizational policies; if not, full noncompliance is more likely. Foreign ownership was not associated with parental leave noncompliance in these models. Parental leaves are part of a globalized discourse promoting gender equity and work-family reconciliation, but foreign owners do not seem to push for these policies within Korean organizations.

There is also clear evidence that continued gender traditionalism predicts parental leave noncompliance. Organizations with more male employees are significantly more likely to lack parental leave, as suggested in Hypothesis 3. Sex composition also predicts partial noncompliance, with organizations with more men also being somewhat more likely to fail to implement a parental leave policy. Also in support of Hypothesis 3, organizations with more (gender-neutral) work-family policies are less likely to be noncompliant. The sex composition of the workforce and the number of work-family policies help predict full noncompliance as compared to partial noncompliance (see the Appendix). These indicators of gender traditionalism therefore seem to distinguish between the three responses to parental leave law, rather than being associated with partial noncompliance specifically (as we had suggested in Hypothesis 6).

Establishments with few communication channels are more likely to be noncompliant, as suggested in Hypothesis 4. With all other variables at their means, the predicted probability of full noncompliance is 0.05 for the establishments with the highest number of internal communication channels and the predicted probability of full noncompliance is 0.20 for those with the smallest number of communication channels. This is strong evidence that organizations with fewer internal communication channels to share information with employees are more likely to violate parental leave provisions; we would expect that employees in those workplaces would also be less prepared to mobilize their leave rights. We do not find any effects of unionization on parental leave noncompliance in Korea, even though US studies have found that unionized workers are more aware of their leave rights and unions often support employees in disputes over leaves (Budd and Brey 2003; Albiston 2005; Kramer 2008).

Results show that the more peer organizations (i.e., those of a similar size in the same region) are *fully* noncompliant with the parental leave provisions, the more likely a focal organization is to be *partially* noncompliant rather than fully compliant. That is, when many peer organizations are ignoring the law completely, organizations are more likely to have unimplemented leave policies on the books than to be following the leave law fully. We speculate that the more peer organizations are fully noncompliant, the more a focal organization believes having unimplemented leave policies is “good enough.” This finding is not fully consistent with the deviant culture perspective that inspired Hypothesis 7. That perspective suggests that when noncompliance is high, it is normalized and the focal organization will not be concerned about violating the law. Here, with two forms of noncompliance included, we find evidence suggesting that organizations may be aware of peers’ patterns of ignoring the law and then distinguish themselves—in an inexpensive and relatively easy way—by acknowledging the law with a formal policy that is then set aside. This new finding points to the utility of more fine-tuned measures of peers’ response to employment laws as well as more differentiated measures of noncompliance.

There is also evidence supporting the rational choice perspective as summarized in Hypothesis 8. Interpreting the sex composition finding (above) in light of a rational choice perspective, we see that organizations with a higher percentage of women workers are more likely to provide and implement parental leave policies, likely because of women’s greater interest in family leave and a desire to recruit and retain women by providing more generous work-family policies (Osterman 1995; Davis and Kalleberg 2006). We also find that organizations with more professionals are less likely to have no parental leave policies in place than to be fully compliant. However, the percentage of workers in professional positions does not predict whether the policies will be implemented (full compliance) or not (partial noncompliance).

Our findings also shows clear contrast between full noncompliance and partial noncompliance. In support of Hypothesis 5, the measures of organizational visibility (indicated by sector and size) and connection to institutional environments (indicated by direct management by owners) are significant to predict only full noncompliance. Also, in support of Hypothesis 6, partial noncompliance is associated with organizational commitment to gender traditionalism and the number of internal infrastructure. Table 2 also shows that organizations in the manufacturing industry are more likely to be partially noncompliant—to have parental leave policies on the books but admit they are not implemented—than to be fully compliant. Being in the manufacturing industry does not predict full noncompliance, however.

CONCLUSION

Since the amendments to the EEOA in 2001, all organizations in Korea have been required to provide paid parental leaves for up to one year. However, noncompliance is extensive, at about 48 percent of organizations in this random sample of workplaces with thirty or more employees surveyed in 2005. Recent government reports suggest that is still the case (Korean Women’s Development Institute 2011). We have investigated Korean organizations’ noncompliance with the parental leave provision under

the EEOA using institutional, deviant culture, and rational choice perspectives. Our results show that the noncompliance is related to attentiveness to the legal environment, gender traditionalism, internal administrative infrastructure, peer organizations' response to the law, and the sex composition and occupational status of the workforce.

Importantly, though, the two forms of noncompliance are associated with somewhat different organizational traits and environmental conditions. We find different predictors of ignoring the legal requirement for parental leave policies completely and of "window dressing" by adopting leave policies but not implementing them. Public-sector organizations and larger workplaces are significantly less likely to be fully noncompliant (i.e., to lack a leave policy altogether) than to be fully compliant. However, sector and size do not encourage full implementation of parental leave policies, as compared to having policies on the books that are admittedly not implemented. Organizations with an HR department are no more or less likely to be fully noncompliant than to be fully compliant. Apparently, HR departments are not pushing Korean organizations to adopt parental leave policies, or not succeeding if they do push. However, HR departments help implement parental leave policies once they are on the books. Organizations with more professional workforces are also less likely to be fully noncompliant, but occupational status does not predict whether adopted policies will be implemented (full compliance) or not (partial noncompliance).

These findings contribute to empirical knowledge on organizational noncompliance with legal mandates but they also confirm that theories of organizational behavior should distinguish between outright noncompliance, which may indicate a resistance to the broader institutional environment, and adopting new policies but failing to implement them. Previous studies of the decoupling of organizational policies and practices have emphasized that actual implementation of organizational policies is dependent on local contexts (Binder 2007; Ryan and Kossek 2008; Hallett 2010). Our findings are consistent with the claim that involvement in broader institutional environments—including attentiveness to the legal environment—promotes isomorphic conformity across organizations but full implementation of organizational policies and practices is clearly dependent on more specific local contexts.

We also note that entrenched institutions—here, gender traditionalism—influence how organizations respond to legal pressures and likely to the institutional environment more broadly. Employment laws such as EEOA erode expectations about the way things are done and what constitutes a good worker by laying out new requirements for Korean organizations to allow workers significant time off for care giving. However, gender traditionalism influences how and which organizations comply with the law, as seen in our findings that organizations with a higher percentage of men and with fewer work-family policies are less likely to comply. These findings confirm that noncompliance with parental leave laws can be partly understood as a failure to replace previously institutionalized beliefs about work and gender (Albiston 2010; Kelly 2010). One implication is that equal opportunity and work-family policies may be hard to promote and implement in East Asian countries because of strong traditionalism association with Confucian culture (Sung 2003) but, even in this cultural context, there is significant variation in organizational responses according to the sex composition and the organization's previous involvement in policies aiming to support employees with extensive family responsibilities.

Another contribution of our study is to use the percentage of size-localized non-compliance to examine the “peer” effects. Previous organizational and criminological studies have not effectively measured the influence of specific organizations. Our article has tried to link a population ecology perspective with criminological studies to understand who the significant peers are likely to be. The results do not fully support a deviant culture perspective, suggesting instead that organizations distinguish themselves from fully noncompliant peers by putting a policy in place. However, this measure provides directions for future exploration of the association between peers and noncompliance and provides a useful new operationalization of organizational fields for law and organizations research.

Finally, these findings have implications for theories of organizational noncompliance and for policy, particularly the enforcement of parental leave in Korea. Our study provides evidence of the value of an institutional perspective for understanding Korean organizations’ response to employment law, but also suggests that specific findings developed in previous US studies of antidiscrimination do not hold when we examine parental leave mandates in Korea. Sociological studies on organizational responsiveness to law have not explicitly attended to different national contexts and differences across legal systems. The present project allows us to consider whether well-established findings from US studies of antidiscrimination also apply in Korea with regard to parental leave law. We suggested that Korean leave law is less ambiguous and Korea’s civil law system is less open to significant reinterpretations of the law, so organizational visibility and the involvement of HR professionals who monitor complex legal environments might not matter in this context. Our results suggest, though, that organizational visibility still predicts attentiveness to the law—at least pro forma adoption of parental leave policies—in the Korean context. One implication is that the Korean government may need to work more deliberately to scrutinize less visible organizations (those in the private sector and smaller organizations) in order to raise corporate compliance, even though the legal requirements are quite clear in this case.

On the other hand, our finding that HR departments are not associated with the presence of a parental leave policy but do predict implementation of policies, if they are in place, provides some evidence that the role of HR professionals may vary by legal system. When there is greater legal certainty, HR may not have as extensive a role in guiding organizational policies but instead focus on implementation (cf. Dobbin 2009). Further research should consider the role of HR professionals in different legal contexts. In sum, this study lends support to an institutional perspective on noncompliance, with its attention to both the ways that organizations experience broader institutional environments and the continuing influence of older institutions, and highlights the value of considering different forms of noncompliance.

REFERENCES

- Acker, Joan. 1990. Hierarchies, Jobs, Bodies: A Theory of Gendered Organizations. *Gender & Society* 4 (2): 139–58.
- Albiston, Catherine R. 2005. Bargaining in the Shadow of Social Institutions: Competing Discourse and Social Change in Workplace Mobilization of Civil Rights. *Law & Society Review* 39 (1): 11–50.

- . 2010. *Institutional Inequality and the Mobilization of the Family and Medical Leave Act: Rights on Leave*. New York: Cambridge University Press.
- Ashenfelter, Orley, and Robert S. Smith. 1979. Compliance with the Minimum Wage Law. *Journal of Political Economy* 87 (2): 333–50.
- Baek, K., Erin L. Kelly, and Yong Suk Jang. 2012. Work-Family Policies in Korean Organizations: Human Resources Management and Institutional Explanations. *Asian Business & Management* 11 (5): 515–39.
- Baron, James N., Frank R. Dobbin, and P. D. Jennings. 1986. War and Peace: The Evolution of Modern Personnel Administration in U.S. Industry. *American Journal of Sociology* 92 (2): 350–83.
- Baum, Joel A. C., and Stephen S. Mezias. 1992. Localized Competition and Organizational Failure in the Manhattan Hotel Industry. *Administrative Science Quarterly* 37 (4): 580–604.
- Baysinger, Barry D., and Henry N. Butler. 1985. Corporate Governance and Board of Directors: Performance Effect of Changes in Board Composition. *Journal of Law, Economics, and Organization* 1 (1): 101–24.
- Binder, Amy. 2007. For Love and Money: Organizations' Creative Responses to Multiple Environmental Logics. *Theory and Society* 36 (6): 547–71.
- Braithwaite, John. 1984. *Corporate Crime in the Pharmaceutical Industry*. London: Routledge.
- Budd, John W., and Angela M. Brey. 2003. Unions and Family Leave: Early Experience Under the Family and Medical Leave Act. *Labor Studies Journal* 28 (3): 85–105.
- Cho, J., and T. Kwon. 2010. Affirmative Action and Corporate Compliance in South Korea. *Feminist Economics* 16 (2): 111–39.
- Cohen, Wesley M., and Daniel A. Levinthal. 1990. Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quarterly* 35 (1): 128–52.
- Coleman, James W. 1998. *The Criminal Elite: Understanding White-Collar Crime*. New York: Saint Martin Press.
- Dainow, Joseph. 1966. The Civil Law and the Common Law: Some Points of Comparison. *American Journal of Comparative Law* 15 (3): 419–35.
- Davis, Amy E., and Arne L. Kalleberg. 2006. Family-Friendly Organizations? Work/Family Programs in the 1990s. *Work and Occupations* 33 (2): 191–223.
- Deitch, Cynthia H., and Matt L. Huffman. 2001. Family Responsive Benefits and the Two-Tiered Labor Market. In *Work and Family: Today's Vision, Tomorrow's Realities*, ed. Rosanna Hertz and Nancy L. Marshall, 103–30. Berkeley: University of California Press.
- Del Duca, Louis F. 2006. Developing Global Transnational Harmonization Procedures for the Twenty-First Century: The Accelerating Pace of Common and Civil Law Convergence. *Texas International Law Journal* 42:625–60.
- Delaney, John T., and Mark A. Huselid. 1996. The Impact of Human Resource Management Practice on Perception of Organizational Performance. *Academy of Management Journal* 39 (4): 949–69.
- DiMaggio, Paul J., and Walter W. Powell. 1983. The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review* 48 (2): 147–60.
- Dobbin, Frank R. 2009. *Inventing Equal Opportunity*. Princeton, NJ: Princeton University Press.
- Dobbin, Frank R., Lauren B. Edelman., John W. Meyer, W. R. Scott, and Ann Swider. 1998. The Expansion of Due Process in Organizations. In *Institutional Patterns and Organizations: Culture and Environment*, ed. Lynn Zucker, 71–100. Cambridge, MA: Ballinger.
- Dobbin, Frank R., and Erin L. Kelly. 2007. How to Stop Harassment: Professional Construction of Legal Compliance in Organizations. *American Journal of Sociology* 112 (4): 1203–43.
- Dobbin, Frank R., and John R. Sutton. 1998. The Strength of a Weak State: The Rights Revolution and the Rise of Human Resources Management Divisions. *American Journal of Sociology* 104 (2): 441–76.
- Drofi, Gili S., Yong Suk Jang, and John W. Meyer. 2006. Sources of Rationalized Governance: Cross-National Longitudinal Analyses, 1985–2002. *Administrative Science Quarterly* 51 (2): 205–29.
- Edelman, Lauren B. 1990. Legal Environments and Organizational Governance: The Expansion of Due Process in the American Workplace. *American Journal of Sociology* 95 (6): 1401–40.

- . 1992. Legal Ambiguity and Symbolic Structures: Organizational Mediation of Civil Rights Law. *American Journal of Sociology* 97 (6): 1531–76.
- . 2008. Law at Work: The Endogenous Construction of Civil Rights. In *Handbook of Employment Discrimination Research Rights and Realities*, ed. Laura B. Nelson and Robert L. Nelson, 338–52. Dordrecht, Netherlands: Springer.
- Edelman, Lauren B., Linda Kreiger, Scott R. Eliason, Catherine R. Albiston, and Virginia Mellema. 2011. When Organizations Rule: Judicial Deference to Institutionalized Employment Structures. *American Journal of Sociology* 117 (3): 888–954.
- Edelman, Lauren B., Christopher Uggen, and Howard S. Erlanger. 1999. The Endogeneity of Legal Relations: Grievance Procedures as Rational Myth. *American Journal of Sociology* 105 (2): 405–54.
- Ehrenberg, Ronald G., and Paul L. Schumann. 1982. *Longer Hours or More Jobs? An Investigation of Amending Hours Legislation to Create Employment*. Ithaca, NY: Cornell University Press.
- Frumkin, Peter, and Joseph Galaskiewicz. 2005. Institutional Isomorphism and Public Sector Organizations. *Journal of Public Administration Research and Theory* 14 (3): 283–307.
- Gerstel, Naomi, and Dan Clawson. 2001. Union's Responses to Family Concerns. *Social Problems* 48 (2): 277–98.
- Glass, Jennifer L., and Sarah B. Estes. 1997. Family Responsive Workplace. *Annual Review of Sociology* 23:289–313.
- Glass, Jennifer L., and Tetsushi Fujimoto. 1995. Employer Characteristics and the Provision of Family Responsive Policies. *Work and Occupations* 22 (4): 380–411.
- Glenn, H. Patrick. 2007. *Legal Tradition of the World*. New York: Oxford University Press.
- Goodstein, Jerry D. 1994. Institutional Pressures and Strategic Responsiveness: Employer Involvement in Work-Family Issues. *Academy of Management Journal* 37 (2): 350–82.
- Gordon, David M., Richard Edward, and Michael Reich. 1982. *Segmented Work, Divided Work: The Historical Transformation of Labor in the United States*. New York: Cambridge University Press.
- Gray, Wayne B., and Ronald J. Shadbegian. 2005. When and Why Do Plants Comply? Paper Mills in the 1980s. *Law and Social Policy* 27 (2): 238–61.
- Guler, Isin, Mauro F. Guillén, and John M. Macpherson. 2002. Global Competition, Institutions, and the Diffusion of Organizational Practices: The International Spread of ISO 9000 Quality Certificates. *Administrative Science Quarterly* 47 (2): 207–32.
- Hallett, Tim. 2010. The Myth Incarnate: Recoupling Process, Turmoil, and Inhabited Institutions in an Urban Elementary School. *American Sociological Review* 75 (1): 52–74.
- Han, J., and J. Koo. 2010. Institutional Isomorphism and Decoupling Among Korean Firms: Adoption of Performance Compensation System. *Korean Journal of Sociology* 44 (3): 27–44.
- Hannan, Michael T., and John Freeman. 1977. The Population Ecology of Organizations. *American Journal of Sociology* 82 (5): 929–64.
- Harlan, Sharon L., and Pamela M. Robert. 1998. The Social Construction of Disability in Organizations: Why Employers Resist Reasonable Accommodations. *Work and Occupations* 25 (4): 397–435.
- Heimer, Carol A. 1999. Competing Institutions: Law, Medicine, and Family in Neonatal Intensive Care. *Law & Society Review* 33 (1): 17–66.
- Ingram, Paul, and Crist Inman. 1996. Institutions, Intergroup Competition and the Evolution of Hotel Populations Around Niagara Falls. *Administrative Science Quarterly* 41 (4): 629–58.
- Ingram, Paul, and Tal Simons. 1995. Institutional and Resource Dependence Determinants of Responsiveness to Work-Family Issues. *Academy of Management Journal* 38 (5): 350–82.
- Jensen, Michael C., and William H. Meckling. 1976. Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure. *Journal of Financial Economics* 3 (4): 305–60.
- Jepperson, Ronald L. 1991. Institutions, Institutional Effects, and Institutionalism. In *The Institutionalism in Organizational Analysis*, ed. Walter W. Powell and Paul DiMaggio, 143–63. Chicago: University of Chicago Press.
- Kalleberg, Arne L., and Mark E. Van Buren. 1996. Is Bigger Better? Explaining the Relationship Between Organization Size and Job Rewards. *American Sociological Review* 61 (1): 47–66.

- Kelly, Erin L. 2003. The Strange History of Employer-Sponsored Childcare: Interested Actors, Uncertainty, and the Transformation of Law in Organizational Fields. *American Journal of Sociology* 109 (3): 606–49.
- . 2010. Failure to Update: An Institutional Perspective on Noncompliance with the Family & Medical Leave Act. *Law & Society Review* 44 (1): 33–66.
- Kelly, Erin L., and Frank R. Dobbin. 1999. Civil Rights Law at Work: Sex Discrimination and the Rise of Maternity Leave Policies. *American Journal of Sociology* 105 (2): 455–92.
- Kim, Andrew E., and G. Park. 2003. Nationalism, Confucianism, Work Ethic and Industrialization in South Korea. *Journal of Contemporary Asia* 33 (1): 37–49.
- Kim, E. M. 1997. *Big Business, Strong State: Collusion and Conflict in South Korean Development 1960–1990*. Albany: State University of New York Press.
- Kobayashi, E., and H. R. Kerbo. 2012. Differences in Perceived Levels of Informal Punishments for Noncompliance and Rewards for Compliance: A Comparison of Japanese and American Workers. *Deviant Behavior* 33 (1): 40–57.
- Konrad, Alison M., and Robert Mangel. 2000. The Impact of Work-Life Programs on Firm Productivity. *Strategic Management Journal* 21 (12): 1225–37.
- Korean Women's Development Institute. 2011. *Actual Conditions Survey on Work-Family Balance*. Seoul: Korean Ministry of Employment and Labor (in Korean).
- Koutalakis, C. 2004. Environmental Compliance in Italy and Greece: The Role of Non-State Actors. *Environmental Politics* 13 (4): 754–74.
- Kraat, Matthew S., and Emily S. Block. 2008. Organizational Implications of Institutional Pluralism. In *The Sage Handbook of Organizational Institutionalism*, ed. Royston Greenwood, Christine Oliver, Kerstin Sahlin-Andersson, and Roy Suddaby, 243–75. Thousand Oaks, CA: Sage.
- Kramer, Amit. 2008. Unions as Facilitators of Employment Rights: An Analysis of Individuals' Awareness of Parental Leave in the National Longitudinal Survey of Youth. *Industrial Relations* 47 (4): 651–58.
- Lee, B. H., and J. S. Kim. 2011. Is Family-Friendly Management Good for Firms? The Diffusion and Performance of Family Friendly Workplace in South Korea. *Journal of Industrial Relations* 52 (4): 459–75.
- Lee, K. M., and Johannes M. Pennings. 2002. Market and the Mimicry: Adoption of a New Organizational Form. *Academy Journal of Management* 45 (1): 144–62.
- Long, J. Scott, and Jeremy Freese. 2003. *Regression Models for Categorical Dependent Variables Using Stata*. College Station, TX: Stata Press.
- Merryman, John. H. 1981. On the Convergence (and Divergence) of the Civil Law and the Common Law. *Stanford Journal of International Law* 17:357–88.
- Meyer, John W., and Brian Rowan. 1977. Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology* 83 (2): 340–63.
- Moen, Phyllis, and Patricia Roehling. 2005. *The Career Mystique: Cracks in the American Dream*. Lanham, MD: Rowman & Littlefield.
- North, Douglass C. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge: Cambridge University Press.
- Oliver, Christine. 1991. Strategic Responses to Institutional Processes. *Academy of Management Review* 16 (1): 145–79.
- Osterman, Paul. 1995. Work/Family Programs and the Employment Relationship. *Administrative Science Quarterly* 40 (4): 681–700.
- Ring, Peter S., and Andrew H. Van de Ven. 1992. Developmental Processes of Cooperative Interorganizational Relationship. *Academy of Management Review* 19 (1): 90–118.
- Ryan, Ann M., and Ellen E. Kossek. 2008. Work-Life Policy Implementation: Breaking Down or Creating Barriers to Inclusiveness? *Human Resource Management* 47 (2): 295–310.
- Scott, W. R. 2008. *Institutions and Organizations: Ideas and Interests*. Los Angeles, CA: Sage.
- Seo, M. G., and W. D. Creed. 2002. Institutional Contradictions, Praxis, and Institutional Change: A Dialectical Perspective. *Academy of Management Journal* 27 (2): 222–47.
- Strang, David, and John W. Meyer. 1993. Institutional Conditions for Diffusion. *Theory and Society* 22 (4): 487–511.

- Sung, S. 2003. Women Reconciling Paid and Unpaid Work in a Confucian Welfare State: The Case of South Korea. *Social Policy and Administration* 37 (4): 342–60.
- Sutton, John R., and Frank R. Dobbin. 1996. The Two Faces of Governance: Responses to Legal Uncertainty in U.S. Firms, 1955 to 1985. *American Sociological Review* 61 (5): 794–811.
- Sutton, John R., Frank R. Dobbin, John W. Meyer, and R. W. Scott. 1994. The Legalization of the Workplace. *American Journal of Sociology* 99 (4): 944–71.
- Thornton, Dorothy, Robert A. Kagan, and Neil Gunningham. 2009. When Social Norm and Pressure Are Not Enough: Environmental Performance in the Trucking Industry. *Law & Society Review* 43 (2): 405–36.
- Vaughan, Diane. 1999. The Dark Side of Organizations: Mistake, Misconduct, and Disaster. *Annual Review of Sociology* 25:271–305.
- Westphal, James D., and Edward J. Zajac. 2001. Decoupling Policy from Practice: The Case of Stock Repurchase Program. *Administrative Science Quarterly* 46 (2): 202–28.
- Wholey, Douglas R., Jon B. Christianson, and Susan M. Sanchez. 1992. Organization Size and Failure Among Health Maintenance Organizations. *American Sociological Review* 57 (6): 829–42.
- Won, S., and Gillian Pascall. 2004. A Confucian War Over Childcare? Practice and Policy in Childcare and Their Implication for Understanding the Korean Gender Regime. *Social Policy and Administration* 38 (3): 207–89.
- Yang, K. 1989. Law and Society Studies in Korea: Beyond the Hahm Theses. *Law & Society Review* 23 (5): 891–901.

ONLINE SOURCES

Statistics Korea (2001): <http://kostat.go.kr> (accessed Nov 20, 2012).

STATUTES CITED

- Civil Rights Act of 1964, Pub. L. No. 88-352, Title VII, 78 Stat. 246 (1964).
- Family and Medical Leave Act of 1993, Pub. L. No. 103-3, 107 Stat. 6 (1993).
- Namnyu koyong pyungdeung beob [Equal Employment Opportunity Act], Act. No. 6508, Aug. 14, 2001, art. 19 (S. Kor.).

APPENDIX: MULTINOMIAL LOGISTIC REGRESSION OF
NONCOMPLIANCE WITH PARENTAL LEAVE, PARTIAL
NONCOMPLIANT LEAVE AS BASE CATEGORY

	Full Noncompliance	Full Compliance
<i>Institutional Perspective</i>		
Public sector	-1.401** (0.473)	-0.367 (0.219)
Size (ln-employees at location)	-0.497*** (0.111)	-0.091 (0.078)
Big business groups	-0.319 (0.288)	0.171 (0.181)
HR department	0.382 (0.217)	-0.645*** (0.152)
Professional HR activities	-0.071 (0.059)	-0.031 (0.045)
Influence of HR profession	0.101 (0.140)	-0.105 (0.115)
Management by owners	0.320 (0.168)	0.137 (0.135)
Foreign ownership	-0.002 (0.004)	-0.004 (0.003)
% of male workforce	0.011** (0.004)	0.008** (0.003)
Other work-family policies	-0.563** (0.187)	-0.247* (0.104)
Communication channels	-0.124** (0.045)	-0.074* (0.032)
Union	0.070 (0.199)	-0.088 (0.145)
<i>Deviant Culture Perspective</i>		
% of size-localized full noncompliance	-0.464 (0.529)	1.068* (0.459)
% of size-localized partial noncompliance	1.340 (0.842)	0.011 (0.695)
<i>Rational Choice Perspective</i>		
% of professionals	-0.011* (0.004)	-0.002 (0.003)
% of employees in managerial positions	-0.005 (0.010)	-0.010 (0.007)
Perceived firm profits	-0.145 (0.102)	-0.046 (0.076)
<i>Control Variables</i>		
Logged firm age	0.045 (0.110)	-0.024 (0.085)
Manufacturing industry	-0.523** (0.161)	0.396** (0.131)
Constant	1.575* (0.947)	0.344 (0.720)
Observations	1,750	1,750

Standard errors in parentheses. *** $p < .001$; ** $p < .01$; * $p < .05$.