Prior Success, Asset or Poison?:
Leadership Failure of Korea’s CEO President, Lee Myung-bak

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Abstract: Lee Myung-Bak’s CEO-style leadership made him an unpopular president. This article explores how his leadership style developed and was reinforced throughout his professional career. It examines his professional experiences, identifies key traits of his leadership, and analyzes how they were projected in his policy initiatives. Lee’s leadership traits, developed in the private sector, made his term as mayor of Seoul successful and helped him win the presidency. But these same successes undermined his presidency. Because they led him to cling to his leadership style without modification, he failed to cope with the different environment surrounding the presidency.

Keywords: presidential leadership, Lee Myung-bak, psychological approach

INTRODUCTION: PRESIDENT LEE’S MISTAKES

Lee Myung-bak, whose term ended in February 2013, could be considered Korea’s first chief executive officer (CEO) president. He was elected with the largest margin of the last 30 years; voters were attracted both by his success as a CEO at Hyundai Construction Company and by his achievements as mayor of Seoul.1 People’s expectations were extremely high at his inauguration. However, his five-year term of office was

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1. Lee received 23.6 percent more votes than the Democratic Party candidate. In the five elections since the popular vote system was introduced in 1987, the average margin between the winner and the nearest competitor had been 4.14 percent. His predecessors had been either military generals or politicians.
marked by political gridlock and voter disappointment. Although he proclaimed his intention to revive the nation’s economy during the presidential campaign, he failed to satisfy the citizenry in terms of either economics or politics.

In fact, President Lee’s domestic policy initiatives were the object of frequent and severe criticism and a source of conflict in civil society as well as in the political arena. A series of controversies over personnel management and domestic policy significantly eroded his base of political support. As a result, even after the sinking of the Korean warship *Cheonan* in March 2010, the type of national security crisis during which support for a president often increases, he remained unpopular. During his term in office, he had to publicly apologize no less than six times, five for making hasty policy decisions and once for a bribery scandal involving his aides.

Lee had served in the National Assembly for seven years and as the elected mayor of Seoul Metropolitan City for four years, and had been CEO of Hyundai for 25 years before entering politics. He is the only Korean president who ever served as the head of a local government. Given his prior successes, including as mayor of Seoul, why was his leadership as president not as successful? More importantly, why did he make similar mistakes repeatedly? Despite the fact that bargaining and communication skills are key components of CEO leadership, why did he not, as a CEO-style leader, use bargaining power more effectively to promote his policy agenda?

In order to answer to these questions, it is necessary to understand the key elements of his leadership style and how they were reflected in his conduct as president. After reviewing other relevant presidential studies, this article examines how Lee’s leadership style was developed and reinforced throughout his career and analyzes how the key traits of his leadership were projected into his major policy initiatives.

**LITERATURE REVIEW**

**Presidential Leadership**

Presidential leadership is a popular subject in presidency research. This is because a presidency is affected not just by the political context, but also by the president’s personal leadership style and qualities. While some studies of presidential leadership have adopted an institutional perspective (Moe, 1993; Skowronek, 1993), many others have approached it from a personal psychological perspective (Barber, 1992; Greenstein, 2000; Neustadt, 1990). The latter are based on the belief that personality affects presidential performance through leadership style. Greenstein (1992, p. 116) argues that the study of personal background is important to understanding the behaviors of political