

LETTER FROM THE EDITOR

In search of new engine for sustainable growth in the new century, Korea is taking decisive steps toward tangible results. The Korean government has vowed to complete the remaining reform measures and stabilize the national economy for smooth transition to a knowledge-based, digital economy. Encouraged by an environment favorable for such shifts, companies are actively gearing up for new initiatives. Moreover, efforts to make economic growth sustainable and truly meaningful are expected to take shape in the social welfare system.

This month's *VIP Millennium Report: Challenges & Opportunities* sheds light on current undertakings to keep the upward trend of economic activities and steer the economy to long-lasting prosperity. The first article of the Current Issues section looks into the latest national sensation, venture companies. Small- and medium-sized companies and venture companies are recognized as new source of economic boom in Korea. Although problems have surfaced amid rapidly mushrooming startups, they are going to be solved by leaving the venture companies to the market mechanism of free, open competition.

Telecommunications is considered to accelerate the process to change the economic structure to better adapt the new economic paradigm. Koreans were once caught up with a frenzy to "be seen with a mobile phone in hand"; it may have seemed like a craze, but that craze created the bedrock of an industry that serves as a neural network in the digital economy. As suggested in our second article, Korea can enhance its already-high global competitiveness in the telecommunications industry by following the global trend and catching up with the technology changes.

Together with the advancement in telecommunications, the Internet is turning the business process around fundamentally, especially the recruitment system. The third article deals with the changing human resources strategy induced by information technology. Time-consuming process of screening hand-written or hard-copy resumes in big companies is slowly giving way to online application. Since companies began to look for innovative human resources, labor market is becoming more flexible and employees are treated according to their competence and achievement, rather than seniority in corporate hierarchy.

Finally, the last article surveys the status of knowledge management in Korea. The 1997 economic crisis in particular made Korean companies understand knowledge as core corporate asset, which would strengthen their core competence. The introduction of knowledge management has been rather recent and Korean companies are in their toddler stage. However, as seen in the case study of our fourth article, Korean firms will be able to weather through future challenges with effective knowledge management.

With the government trying to maintain macroeconomic stability and companies bracing themselves up to jump back into global competition, Korea is going to go ahead with its growth-oriented endeavors. By reading signs of danger in advance by careful observation and monitoring, Korea will be able to avert debacles, such as the much talked about February liquidity crisis. **VIP**