KOREAN BUSINESS CULTURE

Jennifer Fletcher, Intercultural Trainer and Consultant
Culture | Our invisible teacher

Culture teaches us how to think, feel, believe and value...
All groups develop a common system which tells us:
What to pay attention to;
What we ignore;
What’s right; What’s wrong;
What’s good; What’s bad

cultures share the same problems;
it’s their solutions which differ...

Margaret Mead
Only 10% of an iceberg shows above water.

**Explicit culture:**
Perceive with 5 senses

**Implicit culture:**
Unobservable, rooted in values, history and geography
Influencers of work behaviour

- Individual / Personality
- Functional Culture
- National Culture
- Corporate Culture
- Global Culture
Categorizing culture

Human relationships
   Individualism / collectivism
   Hierarchy, status, rank / flat, equal
   Concepts of trust
   Task / relationship
   Situational / rule-based

Concept of time
   Risk avoidant / comfortable
   Fate / control
   Process / results

Communication
   High-context / low-context
   Harmony, indirect / Confrontational, direct
   Formal, ritualistic / informal, efficient
Cultural stereotypes vs. tendencies

**Stereotypes**

*The Closed Circle*

**Tendencies**

*The Open Circle*
Rough guide

- Confucian values
- Harmony
- Concept of ‘face’
- ‘Nunchi’
- Group orientation
- Business model is characterized by the chaebol; giant, family-run corporations with enormous power
- Business is governed by who knows whom and how influential they are
- Importance of hierarchy
- Good business relationships are nurtured and long-term
- Any negotiations should end in a win-win situation so that nobody loses face
Group orientation: A basic difference

Individualists primarily define themselves by their own actions (“I’m an engineer” or “I’m a pianist”), while collectivists define themselves by their group or family membership (“I’m part of the Lee family” or “I’m a Samsung employee”).

**Individualists**

- Rewarded for “thinking outside the box”
- “Doing their own thing”
- Looking out for themselves

**Collectivists**

- Rewarded for working harmoniously with others
- Minimize attention to his/her own contributions to group effort
- Strong group loyalty
Individualism-Collectivism Around the World

(Individualistic)
USA
Australia
Great Britain
Canada
Netherlands
New Zealand
Italy
Belgium
Denmark
Sweden
France
Ireland
Norway
Switzerland

Germany
South Africa
Finland
Austria
Israel
Spain
India
Japan
Argentina
Iran
Jamaica
Brazil
Arab countries

Turkey
Uruguay
Greece
Philippines
Mexico
East Africa
Yugoslavia
Portugal
Malaysia
Hong Kong
Chile
West Africa
Singapore

Thailand
Salvador
South Korea
Taiwan
Peru
Costa Rica
Pakistan
Indonesia
Colombia
Venezuela
Panama
Ecuador
Guatemala

(Collectivistic)

from Hofstede, 1991
Hierarchy

Hierarchy in South Korean companies

- Strict delineated hierarchy
- Those at the bottom are rarely empowered to make decisions
- Strong bonds within a Korean team
Rank and status

Determined by several factors, depending on what group you are focusing on:

- Age
- Family position
- Job title
- Work sector
<table>
<thead>
<tr>
<th>High Distance</th>
<th>Low Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>South Korea</td>
</tr>
<tr>
<td>Guatemala</td>
<td>Iran</td>
</tr>
<tr>
<td>Panama</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Philippines</td>
<td>Spain</td>
</tr>
<tr>
<td>Mexico</td>
<td>Pakistan</td>
</tr>
<tr>
<td>Venezuela</td>
<td>Japan</td>
</tr>
<tr>
<td>Arab countries</td>
<td>Italy</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Argentina</td>
</tr>
<tr>
<td>Indonesia</td>
<td>South Africa</td>
</tr>
<tr>
<td>India</td>
<td>Jamaica</td>
</tr>
<tr>
<td>West Africa</td>
<td>USA</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>Canada</td>
</tr>
<tr>
<td>Singapore</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Brazil</td>
<td>Australia</td>
</tr>
<tr>
<td></td>
<td>Costa Rica</td>
</tr>
<tr>
<td></td>
<td>Germany</td>
</tr>
<tr>
<td></td>
<td>Great Britain</td>
</tr>
<tr>
<td></td>
<td>Switzerland</td>
</tr>
<tr>
<td></td>
<td>Finland</td>
</tr>
<tr>
<td></td>
<td>Norway</td>
</tr>
<tr>
<td></td>
<td>Sweden</td>
</tr>
<tr>
<td></td>
<td>Ireland</td>
</tr>
<tr>
<td></td>
<td>New Zealand</td>
</tr>
<tr>
<td></td>
<td>Denmark</td>
</tr>
<tr>
<td></td>
<td>Israel</td>
</tr>
<tr>
<td></td>
<td>Austria</td>
</tr>
</tbody>
</table>

*from Hofstede, 1991*
Koreans value humility in their communications with others. The use of "yes" often indicates "I understand" rather than "I agree". Self deprecation will often result in gaining the respect of others. Pauses and silences are more common during meetings and gatherings. Interruptions are infrequent during meetings. The context, including non verbal communication, seating arrangements, etiquette and formalities carry more importance and meaning.
Communication styles

High context
- Meaning is dependent on situation, individuals, context
- Can be indirect
- Non-verbals high
- Verbals may be invalid

Low context
- Meaning is non-variable, independent of context and situation
- Can be very direct
- Verbal meaning high
- Non-verbals secondary
High context and low context

LC  

words  

Non-verbals: facial expressions, gestures, tone  

Appearance  

Position  

Rank  

Age  

Gender  

Education  

Group alliances  

HC  

facts  

venue  

timing  

history  

Focused on words, not person or environment, Missing the message  

Not getting through, scanning environment, focused on person, not getting cues
Best practices
Practice makes perfect!
감사 합니다  
Merci  
Thank you