

Research on korean culture: how to business with a korean company flashcard



Starting out on a professional trip in a foreign country or preparing to entertain foreign guests, any person should acquaint oneself with the rules and norms of that culture. This is certainly true of Korea, a nation that has distinctive cultural and social traits that may surprise many unprepared foreigners, especially those coming from Europe or the US. Korean culture is an ancient and rich one and has been shaped by a variety of influences. The diverse heritage of the nation is reflected in its business etiquette and other norms.

Korean Culture: Key Concepts
Confucianism To understand the Korean culture, one needs to look at its historic roots. Confucianism is both a philosophy and a religion that has defined the dominant concepts in Korean mentality. This philosophy is also reflected in the Korean law and national politics. Confucianism calls for respect of each other, deference for elders and parents, and imposes a strong sense of moral duty toward the nation. In effect, it means that many Koreans feel a greater obligation toward groups than, for instance, in the West.

In business contexts, it means greater loyalty toward the employer and the organization as a whole as opposed to desire to advance personal interests.

Kibun Kibun is one of foreign words that are very difficult to translate into English with one word. In general, it means a state of mind. Overall, “ in order to maintain a Korean’s sense of Kibun, particularly in a business context, one must show the proper respect and avoid causing loss of face” (Gorrill, n. d.

). The notion of Kibun reflects yearning for social harmony and peace with others in different situations. This means that Koreans in general have a strong incentive to preserve peace and calmness in interactions with their business partners and try to build positive social relationships. Inhwa
Another basic concept that describes Korean cultural values is Inhwa, an idea that stems from Confucianism.

This term also relates to harmony between people. This concept is so important that “ to avoid disturbing inhwa, Koreans will often reply with a positive answer and show reluctance to give direct refusals” (Gorrill, n. d.). This makes Koreans adhere to standards of formal behavior in communication and behave with marked politeness.

Relationship Building Most business in Korea is grounded in personal relationships. It is important for people to know who they are dealing with, not only from the business-related, but perhaps also from a personal standpoint. Most people will prefer to add a personal touch to their communication with business partners as they feel safer doing business with people they know than with strangers. With this being the case anywhere, relationships are perhaps more important in Korea than in many other countries. It is also important to know how to form relationships and maintain them properly. Most of the time, “ relationships are developed through informal social gatherings which often involve a considerable amount of drinking and eating” (Australian Government, n.

d.). In such meetings, people will get to know each other personally and develop strong ties. Since trust plays an important role in business, personal

contacts do matter. In Korea, it is distinctly more difficult to get business through cold calls than in the US or other Western nations. Attitude toward Contracts Many Westerners note that Korean attitude toward contractual obligations often presents a challenge to people from other countries, especially Western Europe and the US where a signed contract is almost sacred.

The Australian government notes as well that “ legal documents are not as important in Korea as they are in Australia with trust playing a far greater role”. This may cause resentment among some people who expect complete adherence to the norms and issues in the contract. In fact, the matter is that in Korean perception, business is more dynamic and changing. As reality causes changes in the original plans, contracts are also to be adapted to circumstances. Therefore, business structures and terms of contracts are perceived to be much more fluid than in the West.

Contractual terms are just blueprints for the dynamic relationship and business process that will take into account changing circumstances as the partners go along with their business project. Koreans do not expect to withdraw from the conditions of the contract so that to maximize the benefit for themselves; they also give others an opportunity to do so. An article on the Asian Pacific Management Forum notes that “ the essence is that when a Korean executive signs a contract with a foreign company, they are not necessarily obligating their own corporation to uphold the provisions of that contract”. The company can “ violate” the terms of the contract if its circumstances change. Koreans often tend to regard the contract as not binding until the first payment is made. This initial transaction seems to have <https://assignbuster.com/research-on-korean-culture-how-to-business-with-a-korean-company-flashcard/>

influence on the way of thinking since at that time the contract is perceived as having more value than otherwise.

Therefore, “ one had better make an early initial payment to the other party of the contract if he or she wants to have the contract executed at an early possible date” (Korea Business Information Services, Inc. , 2004). In general, Koreans prefer to make contracts in the form of verbal obligations that are not binding; however, it is up to the other party to suggest and insist on making a formal contract of the Western type that is not unusual in Korea. Seniority in Korean Companies Westerners should also expect a different social environment and type of relationships within Korean companies. It is essential to realize the nature of bonds between people in those companies in order to navigate them successfully. As mentioned earlier, Confucianism laid the foundation for many ethical and cultural principles of the Korean society.

This religion prescribes its followers to treat seniors with special respect and emphasizes love and respect for parents and other elderly people. This is also demonstrated in managerial style. Employees in the workplace are expected to behave so as to demonstrate respect for their managers. On a practical level, this results in strong role played by top managers in a typical Korean company. Gorrill (n. d.

) notes that “ the organizational arrangement of Korean companies is highly centralised with authority concentrated in senior levels”. Age of a person is also important for promotion and success. It is less typical to see young managers occupying high-ranking posts based only on their merits and

achievements. For those willing to do business with Koreans, it can mean that they should follow a procedure where all decisions are made at the higher level than it would occur in other nations. Middle-level managers tend to have less authority and less power to make formal decisions.

Instead, it makes sense to establish good connections with people up in the hierarchy so as to have changes approved quickly and easily. Korean Business EtiquetteThe general rules practiced in Korea are not that different from those of other countries since in a globalized world, there is a wide transfer of norms and values across cultures that affected deeply the etiquette as the most visible part of doing business. Business visitors should have their business cards ready to hand out at introductions and other types of interactions. Speaking of the format of these cards, “ including individual name, position title, and company name are imperative” (US Commercial Service, 2006). Korean businesspeople will want to know the visitor’s title since they need to find out the level of the person with whom the visitor should have negotiations.

In Korea, “ the giving and receiving of business cards is important and it is customary to show respect for the business card you are to receive by accepting it with both hands” (US Commercial Service, 2006). For those from foreign countries who intend to do business in Korea regularly, it is a good idea to have business cards with text in two languages. A foreigner talking to Korean businessmen should preferably “ make direct eye-contact when addressing Korean business professionals, as it is important to indicate your honesty and interest” (Gorrill, n. d.).

However, one should also be aware that Koreans will not maintain this contact for a long time in the presence of their superior. One can present small gifts to corporate executives. Examples of such gifts include ties, pens, and other similar objects. Gift-giving typically occurs at first contact in order to build relationships, but can be used later on, for instance, at the beginning of a new visit.

A businessperson should make a habit of giving gifts that are similar in value to those received before. Introductions have to be formal as it is essential to relationship building that has such an important place in Korean business culture. In fact, due to respect for seniority, “ the higher the social standing of the intermediary, the more successful you are likely to be at making contact with the right people” (Australian Government, n. d.).

Negotiating Style Koreans are skilful negotiators able to win great contracts for themselves preserving at the same time a peaceful and polite face. Due to emphasis on social harmony, Koreans will prefer a style that excludes abruptness or rudeness. It is not uncommon for companies to lose a good deal in the Korean market due to ineffective communication during the negotiation process that scares away Korean counterparts even when excellent terms and conditions are offered, so it makes sense to be polite. This does not mean, however, that one should be easy-going and give up at the slightest urge.

Koreans know how to get their own without being too pushy or arrogant. They are tough negotiators who will not give up easily and have come to expect and respect this quality in others; so it is perfectly normal to stand

one's own ground as long as one is able to do so without damaging the partner's face. Attitude toward Other Cultures A foreigner trying to do business in a country would do much better in cultural terms if one realized the atmosphere in which one has to function and be able to compare it to other cultures in terms of attitudes toward foreign lands and their people. In general, Koreans tend to have a lower acceptance of other nations than many nations. Looking back upon a long history, the nation has developed a strong nationalist feeling and takes pride in its culture and centuries-old rituals.

Nowadays, however, globalization has reached Korea that ranks as the world's 11th-largest economy. At the time, Korean Business Information Service (2004) reports that " all the Korean students, and even many adults, are eager to learn English and go abroad, under a catchphrase of globalization campaign". This may mean possible greater openness to changes and potential acceptance of foreign cultural norms over the long run. Increased interaction with other countries will undoubtedly be reflected in Korean culture and relationships with overseas business partners. Social Life Since relationship building is important to Koreans, it is vital to socialize after work to construct and increase one's social capital.

Most people who know and understand Korean reality recommend an enthusiastic response to invitations to social gatherings. It is most important to attend if one receives an invitation to a person's house. Interaction in such an intimate setting may serve as a beginning of a new, closer relationship that will benefit both the guest and the host professionally. Some Korean

businessmen will even invite their partners to attend their personal events like weddings and funerals.

Attendance of these events is very important as it shows interest in building a more personal relationship. Conclusion Korean culture has its own distinct pattern created by centuries of historic development. A foreign businessman may not be able to understand all the background of Korean culture in a single scoop, but an understanding of a few basic concepts is essential for successful business. In most cases, it makes sense to learn a few basic rules of etiquette and general principles of behavior that govern interactions with Korean businesspeople. Politeness, respect for seniority, consensus and relationship building, and care to save each other's face are essential elements of doing business in Korea.