

South Korean Culture

In a highly competitive business environment, it is more important than ever to understand the business culture of your target markets. Understanding business culture helps you to understand, anticipate and respond to unexpected behaviour. It also ensures that you behave in an acceptable way and avoid misunderstandings.

The South Korean market is a favourite among foreign direct investors. However, while the country's thriving economy, liberalising marketplace and widespread use of English in business make it an appealing choice to UK investors, there are some significant cultural differences and challenges to be aware of.

Confucian values: South Korean society operates according to Confucian values. These state that people should respect authority, respect the collective, behave virtuously, work hard and learn hard, avoid extremes and live moderately. You will find that, if you can demonstrate these qualities, you will be more successful in your business relationships.

Kibun: There is also the concept of "face" (kibun), which is found in so many Asian societies. South Koreans strive for harmony in their business and personal relationships. To prevent loss of face, they will avoid confrontation or will tell others what they want to hear rather than tackling issues head on. For example, rather than say "no", they might say "I'll try." This allows both the person making the request and the person turning it down to save face and maintain harmony in the relationship. Some Westerners can find this approach confusing. Try rephrasing the question in different ways so you can compare the answers you get. South Koreans are very protective of their kibun, or personal dignity. If you threaten it, you risk being excluded from future decision-making, so be very careful in your business negotiations and always be respectful and mindful of kibun.

Business Etiquette

Relationship building Everything depends on personal relationships so it is important to spend time establishing a good working relationship and building trust with South Koreans. Sport, families and hobbies are all good topics of conversation. South Koreans may enquire about your personal life, in an attempt to establish your age and status, and to build a relationship with you. You should answer these questions honestly and openly, but without being boastful.

One can 'borrow' relationships, and introductions are very helpful but successful business requires one to build ones' own relationships. Devote time getting to know your counterparts both professionally and personally. Work on developing your

relationships just as you would your professional skills. Mix business with pleasure. Develop, sustain and grow your personal network.

You will find being introduced to a company by a trusted third party, such as the British Embassy, more effective than going in cold – UKTI in South Korea can help you here. If you make a mistake in business, always own up to it and demonstrate what you are doing to put it right.

Communication While many South Koreans are comfortable communicating in English, many talented and capable South Koreans are not. Accommodate your language to your audience. Speak in clear, basic English. Do not rely solely on verbal communication but reiterate your messages in writing.

Cultural differences also influence communication. Traditional culture favours harmony rather than confrontation often causing Westerners to understand silence as acceptance. Negative questions are understood differently and 'yes/no' questions are unreliable. Ask questions from several directions to verify that the message has been successfully communicated. Your counterpart is unlikely to request clarification even if understanding is not complete.

When making presentations, minimise words and maximise graphs, charts and visuals that can communicate across languages and cultures.

South Korea is a country where things can happen extremely quickly. Same day response is the norm. A week without communication is interpreted as lack of interest and/or termination of a project.

Meetings You will need to book meetings well in advance and make sure you arrive punctually, even if your host does not. Your approach should be formal but friendly, although avoid making jokes as this could be interpreted as a lack of respect for your host.

The top-down management style of South Korean companies means it is important to show respect for authority. Ideally, the most senior person in the team should enter the room first and greet the most senior South Korean representative.

In general, you should introduce older people to younger people and women to men. Make sure that you show due respect and use people's titles correctly. Leaders should sit opposite one another around the table.

Remember that the aim of initial meetings is usually to get to know one another, so don't expect to begin business negotiations right away.

You will always be offered 'Tea' (which can also be coffee, juice, water or something else); it is awkward to refuse so better to accept even if not consumed. Wait until these rituals have been completed to commence business discussions.

Allow your counterpart plenty of time to express his opinion; avoid dominating the conversation but try to listen and understand what your counterpart is thinking. This is particularly true if your counterpart is weak at English.

Handshakes A slight bow, followed by a handshake, is the preferred way of greeting somebody in South Korea. More junior personnel will bow first to their senior colleagues. You should wait for more senior personnel to offer their hand first.

South Koreans prefer a softer handshake and, during the handshake, you may support your right forearm with your left hand. Some senior South Koreans consider eye contact as rude, but that's not the norm. It is advisable to make direct eye contact when addressing South Korean business professionals in order to show honesty and interest.

A man greeting a South Korean business woman should wait for her to initiate a handshake, as some women prefer to bow instead. Never use your index finger to point at somebody.

Body language Body language is an important way of showing respect towards someone older or a more senior person in South Korea, as is using their honorific title when greeting them.

Keeping your legs straight and your upper body in a slight stoop denotes respect. A slight bow is also used when expressing an apology (for example, if you tread on somebody's foot). You should also bow deeply when saying goodbye and say *Annyeong-hee-gaseyo*.

Sneezing and blowing your nose in public is considered rude (and sometimes funny). If you have to sneeze, try to make it quiet. If you do sneeze in front of somebody, make sure you apologise.

Use both hands when giving or receiving anything (including business cards), as it is regarded as polite.

Attire South Koreans tend to dress appropriately for their work surroundings, as you would expect in the UK. Black, blue and brown-coloured suits are recommended. Tight skirts, low necklines and sleeveless tops should be avoided, as should shorts.

Hierarchy Hierarchy is an important concept in South Korean business. See 'Meetings' section in this guide for details of how you should conduct business meetings with due regard for people's experience and seniority.

All South Korean relationships are hierarchical. The individual in the 'superior' position is treated with respect while the 'junior' is subservient (sometimes to the point of rudeness by Western values). Age, position in the company, education, and marital status all determine one's 'rank' in society.

Westerners are often surprised that they are asked very specific and even personal questions when they first meet a South Korean. Your counterpart is trying to determine where you fit in the hierarchy. Your 'rank' can have a major impact on who is willing to meet you and the nature of the dialogue (relative position). Titles are hierarchical rather than functional in South Korean companies. Know your counterpart and how he fits within his organisation.

Names and titles When addressing someone in business you should use their professional (for example professor, doctor, engineer) and honorific titles.

Korean names are written Surname, and then Given Name. Often in communication with Westerners, the order is reversed to accommodate our culture. Initials and Anglicised names are sometimes used to facilitate communication with Westerners. While this is very considerate and convenient for Westerners, fellow South Koreans often will not be aware of the Anglicised name so may not know who is being discussed. Titles are very important among South Koreans and are used when addressing individuals. The most common address in Korean is surname followed by title, for example "Director Lee".

Women in business Although South Korean attitudes to women in business are changing slowly, it is still very rare for women to hold senior positions in South Korea. Consequently, the opportunity to work with a foreign company, with more enlightened attitudes towards equality, tends to be welcomed by many professional women in the country.

Punctuality As has already been stated, you should be punctual for meetings and leave plenty of time for your journey to avoid arriving late. When engaged in a business relationship, you should ensure that delivery times are clear and that you act quickly to remedy any problems.

Business cards You will need to have a good supply of business cards as it is customary to exchange these (using both hands) when meeting a business person for the first time. Your business cards should be translated on one side into Korean.

Be sure to treat someone's business card with respect as to do otherwise risks insulting them. Examine the card before putting it away, or place it face up on the table in front of you during a meeting. Never write on someone's card in their presence unless they are happy for you to do so. One good tip is to ask a question based on the information on the card.

Treat cards with respect; they represent your counterparts' 'face', provide important clues as to their importance and are a key tool for managing relationships.

Negotiations South Koreans like to spend time getting to know their business associates, so don't expect important decisions to be reached in the initial meeting.

Avoid becoming visibly frustrated or irritated as this could insult your host. Be patient, but firm, allow plenty of time for negotiations and remain dignified throughout.

Gift giving The culture of gift giving persists in Korea, particularly for formal meetings and meetings between very senior people. Also, when travelling overseas, taking a gift for your host (and reciprocating) is not uncommon. For working level business meetings, gifts are rare. However, hosting meals is expected.

Giving small gifts is part of the process of building a business relationship in South Korea. Items from the UK or your particular region will be especially well-received, as will items branded with your company logo. It is customary for South Koreans to refuse the gift once or twice as a gesture of humility.

You should give and receive a gift with both hands. Gifts should be wrapped and it is customary to wait until the giver is out of sight before opening them. Gifts should always be reciprocated at the same level.

Hospitality Hospitality is an important part of South Korean business culture. You may be invited out to dinner in a restaurant or, occasionally, in someone's home. This is considered a great honour. You should always remove your shoes, and remember to point them towards the front door.

Drinking Health consciousness has supplanted heavy drinking with golf and other pursuits, but eating and drinking remain important parts of relationship building, particularly among the over 50 age group – and drinking is serious not casual. While it is not common to drink at lunch, often beer or wine will be served to accommodate “Western” habits.

South Korea has one of the highest rates of alcohol consumption in the world and men are expected to partake in the country's drinking culture. Serious drinking is done at night and is often a drawn-out affair demonstrating prowess and stamina. Be careful! Often, key commercial information is revealed at the very end of a drinking session so one needs to be alert enough to catch the message. However, although drinking and dining relationships are still important, increasingly the specifics of deals and contracts are signed in a usual business style and situation familiar to Western firms.

If you've had enough to drink, avoid emptying your glass. If you don't want to drink, excuse yourself on medical or religious grounds. It is considered polite to fill other people's glasses rather than your own.

Dining Eating is an important component of building relationships and 'bonding' in Korea. It's rare for a meeting that ends near mealtime not to result in an invitation by the 'host', and it's common for the host to pay for the meal - sharing the cost of the meal (in a business setting) is unheard of in South Korea. Seminars and workshops always include a meal – usually hosted by the event sponsor.

There are a number of rules you should observe when dining. Most of them are basic good table manners, but there are a few that are specific to South Korea. For example, you should not hold your rice or soup bowl in your hand during the meal. Spoons and chopsticks should not be rested on any bowl or dish and you should not hold them together in one hand. When an elderly person gets up, you should also get up. Younger people should not pick up their tableware before older people.

Caution with Numbers Simple things like numbers can lead to a breakdown in business relations. Korean counting indicates the units of time that a condition existed. As a result, the practice is to start counting at one (you are one year old when you are born, an overnight trip is a two-day trip etc). Large numbers are confusing as Northeast Asia counts in groups of four digits (10,000, 100,000,000) rather than in thousands. This makes converting large numbers between English and Korean quite challenging. To a Korean, 5 million is 500 ten thousands. When clarity is critical, write out the entire number with all its digits or use specific dates and times for starting and ending.

Avoid culture-bound references to time such as Easter, which may not be familiar to South Koreans. Likewise, South Koreans may refer to events in the lunar calendar (Lunar New Year, Chuseok) that will be unfamiliar to Westerners. Seek clarification when you are unsure.

Source - UKTI

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