

## **Dealing with Korea, South and North: A lesson for politicians from the business world.**

Written by Geir Helgesen

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GEIR HELGESEN, FEB 6 2010

Just coming from a course organized for Nordic businesspeople with plans, or ambitions, to operate in Korea, (that is, South Korea), I wonder whether there are ways to exploit what we know about East-West business relations when the focus is turned towards North Korea.

I was one of the presenters at the course, together with a Korean colleague. In a two-hour session we were supposed to enlighten the audience, at least a little bit, and provide some input which would be helpful in their future dealings with South Korea. In the introduction we defined culture as shared values and norms, a traditional sociological definition, and we postulated – well aware that we were asking for trouble by doing this – that culture is not something one has, but rather something one is. We continued to draw a sketch of Korean culture which included a brief history of Korea, equally brief presentations of the religious sphere, a little more on the Confucian-based social morality exemplified by the importance of family, other particular social relations, upbringing and education, and ended by discussing crucial concepts such as power, hierarchy, legitimacy and trust. By going into practical examples, after having laid the theoretical foundation for the discussion, we exchanged examples with the audience, many of whom had years of practical experience in the Korean market and with Korean counterparts operating in Europe. With due attention to the existence of non-typical traits in both the East Asian and the Western context, we agreed that to secure a smooth business cooperation it is very helpful to show some cultural sensitivity, and to be aware of the fact that what is right and true within one's own context does not necessarily make perfect sense in a different cultural context. In the business world this is common sense. Not that all business people with international projects have sufficient competence to deal with their counterparts, but they know that this competence is important in order to have success in one's business ventures, and this knowledge is in great demand. Therefore courses like the one I took part in today are being organized, people travel long distances to listen to an academic (!) and they may even pay for this kind of expert input.

We, the experts, suggest that they, the practitioners, try to develop sensitivity to cultural differences; that they best avoid conflicts by understanding why people may react in a different way than one expects, and in such cases accept the differences, respect the other's reactions and show extensive flexibility in accordance with that form of respect. It may sound like complicated and difficult advice to follow. It is not, because they know that this is essential for them in their business ventures – it is a crucial precondition to keep the figures in the black. To sum up: success in the global market depends on a variety of things; cultural sensitivity is not the least important one.

Business partners one meets in Korea often speak English. They have been educated abroad, often in the USA, and often at the top universities. South Korea is moreover a comparatively open society and relations between South Korea and the West take a variety of forms and shapes – the entire population is affected in one way or another. Not so with the brothers and sisters up north. Isolation has been their fate, a double isolation due to the political system's faith in self reliance, and also due to the outside world's reluctance to include North Korea in the international community. Here is no space to discuss cause and effect; what most observers agree on is that North Korea is isolated, that it has been isolated for a lengthy period of time, and consequently, the worldviews and ways of thinking of people in North Korea are less affected by outside input. They are in fact more imbued with traditional traits than foreign ones, and their form of modernity has very often taken form and shape according to traditional ways and

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norms. They have had even more effect than the impact of socialist or communist thinking, as this also is a foreign thing, and is considered so.

Are we – the Western world – ready to take a look at North Korea from a cultural perspective? Do we try to figure out what they say and what they really mean from a cross-cultural position? Do we make an effort to understand their messages or their sometimes quite aggressive expressions from a culturally sensitive position? No we don't. We take it at face value and hit back. Or we ignore them because they play a too tough a game. It's called brinkmanship, and in the case of North Korea they really go to the edge. They threaten their counterparts, if they themselves feel threatened. Only they do it twice as strong. If you pressure us, (they may say) we will drown you in a sea of blood. End of dialogue.

But experts on South Korean business behavior giving advice to American CEOs tell their clients: Don't ever reveal when you are returning to the USA, because then they (your Korean business partners) will keep you waiting until the last minute before they reveal their true business proposal. The same experts tell their clients that South Korean business leaders are unchallengeable, the boss is supposed to be strong, and may be not omnipotent, but close – and the bigger the company and the stronger the boss, the more confident the staff. To liken a business executive with a father in a traditional family is not totally out of context, in South Korea. Why then do we have to link the North Korean leader with Stalin? Would it not be more reasonable and closer to reality to compare him with strong leaders south of the 38<sup>th</sup> parallel?

In the business world, cultural sensitivity is considered a comparative advantage. It can make the whole difference between success and failure. According to an American public institution called BUYUSA.GOV – U.S. Commercial Service, Korea *"Negotiating style is particularly important. Koreans can prove subtle and effective negotiators, and a commitment to a rigid negotiating stance early on may work to the American's disadvantage. Your offer may include the best price, technology and profit potential but may still be turned down because the Korean customer does not like your style."*

In the business world black figures make the whole difference, and people with the sole purpose of making a nice profit may go a long way to reach that goal, including attending courses in cross-cultural communication. In politics, however, where the basic aim in some places on earth are physical survival, to preserve peace and to make life tolerable for millions of people, cultural sensitivity is not such a big deal. Although we know perfectly well that understanding or not may lead to peace and cooperation or to war, we neglect what might put us in a position to actually understand the other. Is it because an enemy is needed, or is the political level in our societies that much behind the business community?

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