

Training & Development Packet:

Script & Visual Sample Employee Cultural Competence Training - Republic of Korea

MSC 523-6: Capstone Applied Research Project Northwestern University, School of Communication Kunwoo Yoo



#### **Course Description**

This course will provide employees with an enhanced understanding of cultural business norms with regards to conducting business in the Republic of Korea (South Korea). This course is required for all employees who are travelling to Korea to conduct business on behalf of The Boeing Company as well as those that currently, or may in the future, interact with established or potential customers or suppliers from South Korea.

#### **Course Completion**

This course takes approximately 30 minutes to complete. To receive credit for this course, you must successfully test out or pass the final assessment with a score of 80% or higher. Please follow the instructions at the end of the course to receive credit. Completions will be reflected in your training records.

#### **Bookmarking**

The course map automatically bookmarks your progress. To return to a previously viewed page, click the Course Map link at the top of the page. If you leave this course, your place remains bookmarked. When you return, this course opens where you left off.

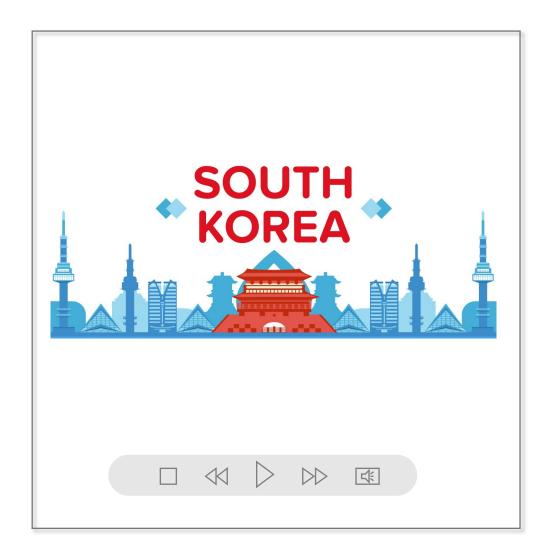
#### Help

If you have any problems viewing this course, click the Help link at the top of the page.

Click the forward arrow to begin the course video.







#### Introduction

(00:00:00 - 00:00:30)

Welcome. This training will provide employees with an enhanced understanding of cultural business norms with regards to conducting business in the Republic of Korea – commonly referred to as South Korea. The video will consist of an introduction, and 3 units covering *Business values and culture, Business Communication and Management, and Collaboration Technology Communication*. At the end of the course, there will be 10 questions and you must successfully test out with a score of 80% or higher to receive credit for this course.







### **Unit 1: Business Values and Culture Brief History**

(00:00:30 - 00:01:20)

The Republic of Korea, located in Northeast Asia between China and Japan, is a country of approximately 51 million. The country's history goes back over 4000 years, and because of it's strategic location between superpowers, it has been invaded by surrounding countries several thousands of times throughout its history. Because of these invasions, the country adapted an isolationist mindset, leading to one of its nicknames – the Hermit Kingdom. Although today, the country welcomes foreigners and foreign business, a sense of strong nationalistic pride continues to exist amongst the population. Following the Korean war in 1953, South Korea became an independent sovereign state, divided from North Korea, and has since become one of the fastest rising economies in the world.







#### **Korean War**

(00:01:20 - 00:02:30)

The Korean War is one of the most significant incidents in the countries history. As a result of the Cold War following World War II, the Korean peninsula was divided into two countries, with the North influenced by the Soviet Union, and the South heavily influenced by the U.S. In 1950, North Korea, aided by the Soviet Union and China, invaded the South in an attempt to take over the peninsula. The South retaliated with aid from the U.N and the U.S. After approximately three years of war in which the two sides saw the border of their countries pushed back and forth to extremes, the war ended with an armistice being signed, creating a demilitarized zone between the two countries on the 38<sup>th</sup> parallel. Technically, the two countries are still at war as no peace treaty was agreed upon. As such, the U.S. has had a significant influence on the shaping of modernday South Korea and thus exists extremes in terms of public opinion of the country's closest military and commerce ally.







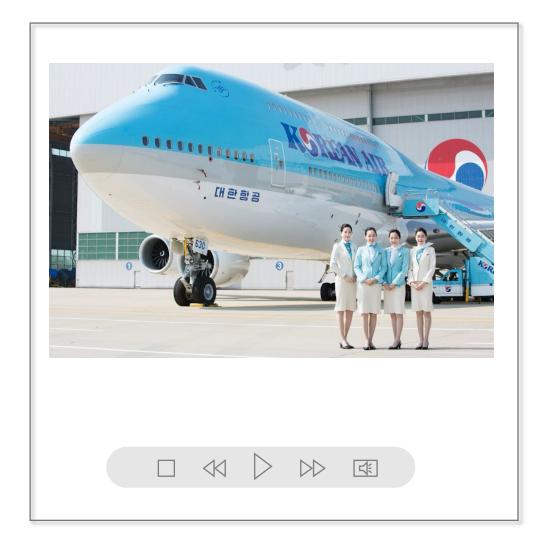
### Conglomerates

(00:02:30 - 00:03:30)

Today, South Korea is one of the most high-tech, industrialized and developed countries. Large-scale conglomerate companies such as Samsung, Hyundai, and LG have played not only major roles as contributors to the rise of the Korean economy, but they, along with countless subsidiaries and suppliers, have also influenced the overall business culture of the country. The companies implemented rigid, top-down, military-style mindsets within their respective organizations and although recent trends are making efforts to move away from this culture, it is still very existent and has influenced the country's business environment as a whole. These companies are considered trend-setters and have the political power to influence national-level policies, political decisions, and business regulations. Korean Air and Asiana, the two largest commercial customers for Boeing Korea, are also considered major influential conglomerate companies in Korea.







### **Korean Air**

(00:03:30 - 00:04:25)

In 1969, Korean Air purchased its first commercial jetliner, a Boeing 707, which signaled the beginning of Korea's modern commercial aviation business. Today, Korean Air is one of the top global airlines and is also known for its robust cargo business. Boeing freighters have proved to be a major factor in catapulting the airline to become the largest carrier between North America and Asia. As of March 2017, Korean Air operates a total of 90 Boeing passenger airplanes. The airline's Aerospace Division, KAL-ASD, is also a dual-sourced supplier for the distinct 737 MAX Advanced Technology winglet. Korean Air is the first airline to order both the passenger and freighter versions of the 747-8 and is also a key supplier for the 787 and 747-8 programs. In February 2012, it became the first airline in the world to simultaneously operate a 747-8 Freighter and a 777 Freighter.







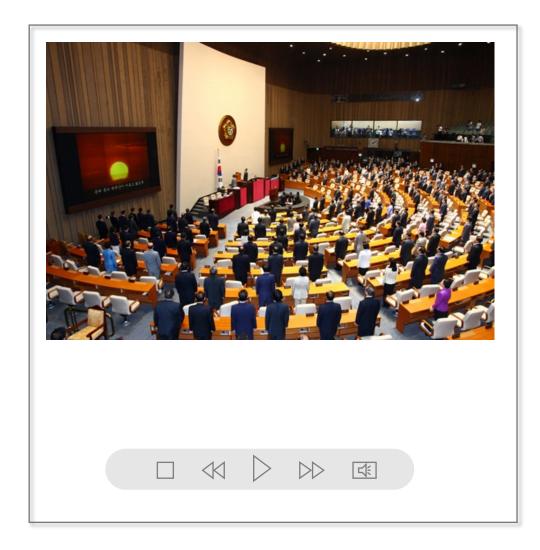
### Asiana

(00:04:25 - 00:05:05)

Asiana Airlines, Korea's second-largest carrier, was established in 1988 and took delivery of its very first airplane, a Boeing 737-400, that year. The airline made its inaugural flight in 1989 and since then has rapidly expanded, garnering many key accolades along the way. Today, the airline operates 33 Boeing airplanes and Boeing continues to play an important role in helping Asiana Airlines maintain its status as a world-leading airline.







### Government

(00:05:05 - 00:06:05)

The South Korean government has had a rich history of democracy, although unfortunately there also exists a rich history of government corruption as well. The government is aware of this and has established multiple policies and governing bodies in place to address corruption. Unfortunately in many cases, there still exists mixed messages from different government bodies, and it is important to keep this in mind when conducting business with the government. Even when protected with contracts or the legal system, because Korean conglomerates have played such a key role in the rise of the economy, they often times receive unofficial favors ahead of foreign entities, and thus it is important to understand who true decision makers are when lobbying, and even consider partnering with local companies. When a regulation seems to be a roadblock for business, it is always good to see if there are contradicting regulations to support company strategy.





### **Military**

(00:06:05 - 00:07:10)

The military has traditionally been in a more powerful position within the government hierarchy, but unfortunately also have a stronger reputation for a history of unethical and non-transparent business compared to other arms of the government. There still exists preferable treatment towards local companies who have a longer history of relationships with the government, as well as other non-tariff barriers for foreign companies, and this is why Boeing Korea has close relationships with the military, most Ministries, the defense acquisition arm, and the local Chamber of Commerce in order to maintain relationships with key decision makers. These relationships should always be considered for utilization for business decisions and strategy, both short-term and long-term. Military procurement also generally receives lots of public attention, and when deals are secured, the military, along with the public, will generally expect offset favors in the form of jobs, investment etc for the good of the country.





### Military (cont'd)

(00:07:10 - 00:08:00)

Boeing has been involved in Korea's defense and aerospace development since Douglas AD Skyraiders went into service during the Korean War. In 1969 McDonnell Douglas first delivered F-4 Phantoms to the Korean Ministry of National Defense. Today, Korea operates 42 Chinooks, 60 F-15K Slam Eagles, 4 AEW&C Peace Eye aircraft, and in 2013 ordered 36 Apache Longbows. Boeing also operates an avionics Maintenance, Repair and Overhaul (MRO) facility in Yeongcheon to support the military fleet operated by the Korean Armed Forces. Korea Aerospace Industries (KAI) is a supplier for Boeing of P-8 empennages and raked wingtips







### Media

(00:08:00 - 00:09:10)

The Korean media is notorious for being extremely aggressive and unethical, have a long history of bribery, and are well known to sway stories extremely to the left or right, depending on the organization's affiliation. Public opinion is also very heavily influenced by the media – small or large, and this results in the media being considered a very powerful and influential aspect of the Korean society. The media was, and continues to be financially burdened with the rise of online content, and this has led to the media being vulnerable to advertisements. There have been countless occasions of stories being influenced, or even stopped through advertising. Because conglomerates have a long history of bribing the media, the media have high expectations when meeting representatives from large companies to be wined, dined, and pampered. They do also understand that foreign companies will not go to extremes to please them like Korean companies.





### **Unit 2: Business Communication and Management Office Environment**

(00:09:10 - 00:10:10)

Whether you have a Korean manager or a member of your team is Korean, communication styles can differ from other teams that you work with. Korean management styles focuses more on the harmony of the team in many cases over individual performance. Even if an individual is a high performer, if they are detrimental to the harmony of the team they are thought less of. Commitment to the company and team is expected, and employees are expected to stay strict to office time schedules and dress in business attire. Daily absentee rates can be an indicator of employee commitment to the company, and the New York Times reported that the rate is 1% in Korea, compared to 5% in the U.S.







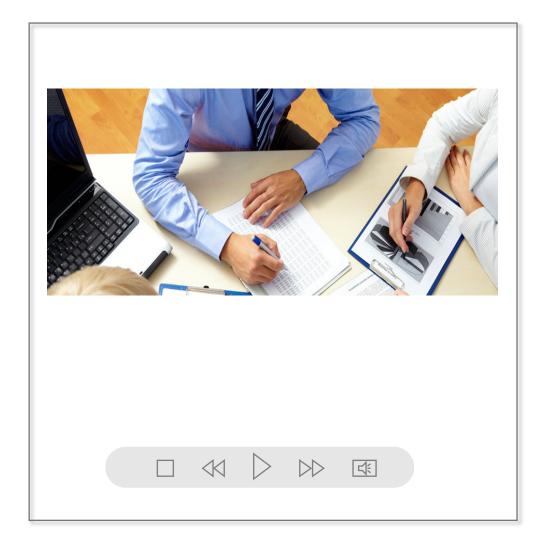
### **Unit 2: Business Communication and Management Communication**

(00:10:10 - 00:11:05)

From early education, Koreans have been taught to abide to their superiors and have been discouraged to talk back or question them unless encouraged otherwise. Although Koreans are aware that this potentially interferes with innovation, they balance this with team harmony and commitment to the company. Koreans are also generally less open to direct communication – saving face is a key factor in the Korean society and there is an expectation that loyalty will play a role in performance management. Koreans will generally understand when simply hinted at performance issues, rather than being upfront about issues. Likewise, one should be careful about giving false hints as this can be misinterpreted as criticism.







### Communication (cont'd)

(00:11:05 - 00:12:05)

Managers will be offended with tardiness and are generally less flexible with work-life balance in comparison to the U.S. Official work hours/lunch hours/dress code are expected to be kept, and employees are also expected to stay overtime without compensation to finish tasks if they are time-sensitive. There is also a general expectation that employees are open to working on tasks outside of their work statement if it means contributing to the company. Korean managers are also less open to feedback on their management styles, but this does not mean that they are not approachable. Remember that saving face is extremely significant in Korea, and if they are approached in a non-confrontational manner behind closed doors to discuss issues, Korean managers will generally be open to candid discussion.







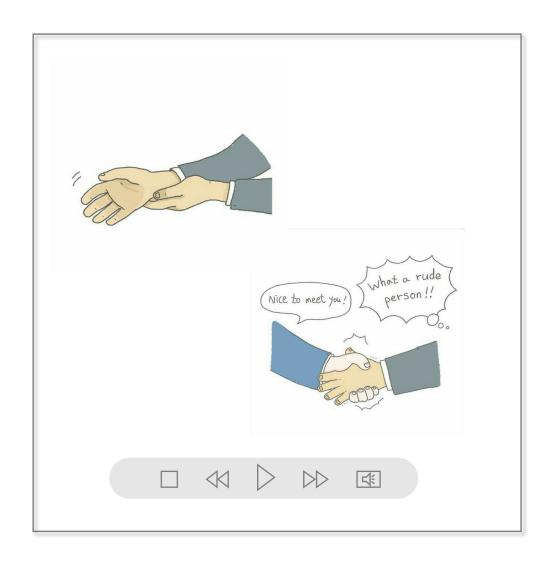
### Relationships

(00:12:05 - 00:12:50)

The Korean culture places heavy weight on relationships and trust, and often times it is these relationships that play a larger role in business decisions rather than what logically or financially makes business sense. The following are some pointers that can go a long way in establishing and maintaining relationships. The Korean business society is small and rumors spread out fast, so it is important to remember to maintain trustful and sincere status with key stakeholders.







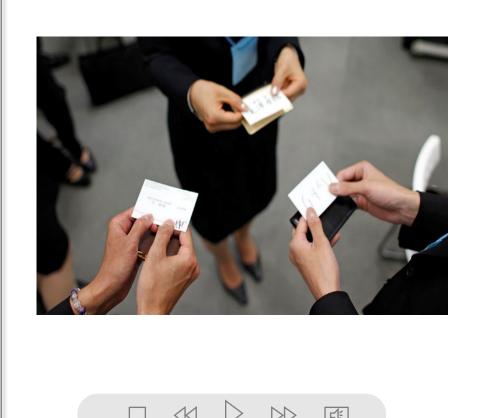
### Greetings

(00:12:50 - 00:13:50)

Greetings at the beginning and end of meetings are considered protocol, and handshakes are good a way to leave a good impression in Korea. When you meet someone for the first time, often times you will have someone slightly bow their head while shaking your hand, and this can be considered a gesture of respect. Another similar symbol of showing respect during a handshake is when the left hand is raised close to or supporting the right hand, or even on the their abdomen area during the handshake. Also important to remember is that opposite of some western cultures, grabbing too hard during a handshake can be misunderstood as a showing of disrespect – firm enough to feel the handshake, but not too strong is the way to go.







### **Business Cards**

(00:13:50 - 00:14:45)

Business cards are an expected exchange either when you first meet someone at a meeting, or if you didn't get a chance, when you leave a meeting. Its shows that you trust the person and can provide them with your contact information. If someone does not provide you with a business card deliberately, it usually means that they don't want you do contact them. The protocol for exchanging business cards is somewhat similar to handshakes in that cards are given and received with two hands, as a show of respect. Also, if you are in a situation where you are seated and the business card received is in front of you on a table, it is considered offensive to mark anything on the business card in front of that person.







#### **Names**

(00:14:45 - 00:15:45)

Koreans don't call each other by their first names unless they are close friends, or if the receiving end is of significantly lower age or office rank. They address each other by their title in the company, and sometimes their last names mixed-in with the title. A direct translation for example would be "President Trump" rather than "Donald". However, Koreans also understand that if you don't speak the language, this cannot be expected from a non-Korean. The safest way to address this is to ask how they would like to be addressed. Answers will vary from adding a "Mr." or "Mrs." to their last name, or a shortened version of their first name. One note to remember is that Korean women do not inherit names after marriage, so the wife of a Mr. Kim is not automatically going to be a Mrs. Kim, and one should remember to ask separately.







### Names (cont'd)

(00:15:45 - 00:16:10)

Koreans can be very superstitious, and another important point to remember about names is that in Korea, it's considered bad luck to write someone's name with red ink. This is because names are written in red for funeral banners and implicate death. You should be conscious of the color of pen that you use, and avoid writing anyone's name in red.







### **Alcohol**

(00:16:10 - 00:17:15)

In many instances, Koreans will invite you to join them for dinner outings following meetings. These dinner outings are very much engraved in business culture and considered an extension of meetings, and because relationships are highly valued in Korea, these outings are a way to enhance these relationships. If alcohol is involved – and in many cases it will be – you should remember never to pour yourself your own drink. Once you empty your glass, Korean's will pour another glass for you, and you should return the favor when you see an empty glass as well. When you pour the alcohol, this should be done with two hands – or gesturing that your secondary hand is supporting your pouring hand, much like when you shake hands or exchange business cards. When someone pours you a drink, you should hold your glass with two hands out of respect as well.







### **Unit 3: Collaboration Technology Communication Overview**

(00:17:15 - 00:18:15)

Korea is at the forefront of innovative communication technologies, and there is a risk of falling behind if one is not up to par with the current trend. Preferred methods have a short lifespan as when the next new technology is released and publicly accepted, the previous technology fades away quickly. A telling statistic is that according to the Pew Research Center, as of Feb 2016, 100% of Koreans aged 18-34 use smart phones. Age 35+ is at 83%, compared to the U.S. which is 92% and 65%. Koreans are always in a very busy mindset which can be both productive and stressful, and they prefer quick to-the-point communications. You will rarely see Koreans engage in smalltalk at work as everyone is busy trying to get the next task finished.







### **Email**

(00:18:15 - 00:19:15)

Email is the dominant and preferred method of communication. Especially at a company where English is the dominant language but is the second language for Korean, they prefer to have written instructions in case they misunderstand verbal instructions. Even if instructions are provided verbally, it is always safe to provide a written note as well for clarification. Koreans are generally much more fluent in written and read English over verbal communication. Because saving face is important, in many cases they will be embarrassed to reveal that they did not understand verbal instructions – especially in front of other colleagues. In emails, try and get to the point or there is a risk of losing attention. Make it clear why are you writing them, and what is the action that you are requesting of them.







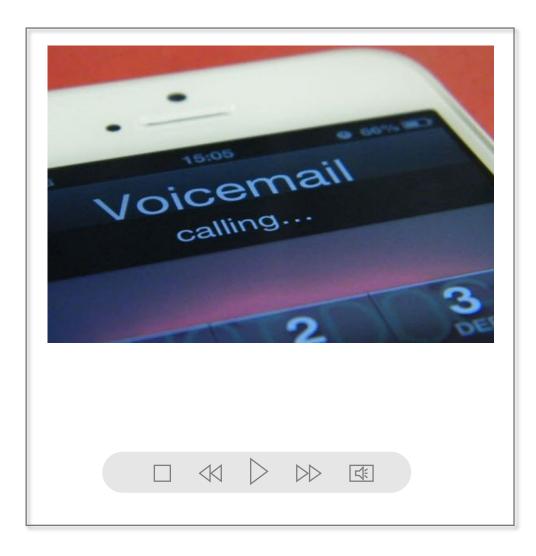
### **Phone Calls**

(00:19:15 - 00:20:30)

Phone calls are generally thought of for introductory communications, or urgent communications. Because everyone is so busy, phone calls are not preferred and when called, it is expected that the content is of either very sincere, or urgent matter. The general protocol within company teams is considered an email communication first, and if this is not effective the next method would be text application communication. The final method would be a phone call – first to office land lines, and if is this is not successful, to their cellular phone.







### **Voice Mail**

(00:20:30 - 00:21:20)

Voice mail is generally no longer used in Korea, whether that be for mobile or desktop phones. The mindset is that the receiver will think that if something is urgent, the caller will call back later or contact them through another communication method. In fact, most of the population no longer sets up voice mail accounts and if they did, they rarely check their voicemail and just delete without checking. It is recommended that use of voice mail is avoided as there is a high possibility that the message will be ignored.







### **Text Messages**

(00:21:20 - 00:22:05)

Mobile device text messages continue decline in usage as a communication method, as the bulk of the population use whatever is the preferred and popular text application at the time over mobile device chats. The main reason for this is that only those in one's network will be connected to individuals within the application, whereas anyone can send mobile texts. As a result, most mobile text messages are now advertisements. When establishing a relationship, it is always good to ask what is the preferred method of communication.







### **Social Media**

(00:22:05 - 00:22:45)

Although this will differ on an individual basis, the general rule is that people prefer social media linkage for personal networks only, and would like to avoid professional linkage in personal social media accounts. This can be one of the reasons that Facebook, Twitter, and Instagram have been popular in Korea but LinkedIn was never adapted by the general population. Koreans prefer to keep distance between personal and professional lives, and this trait is evident with social media usage.







### **Virtual Meetings**

(00:22:45 - 00:23:20)

The company's current preferred virtual meeting method, WebEx, is also widely used in Boeing Korea. However, because the country is so small and all major cities are within an hour plane ride, most meetings that are not a phone call are in person within Korea and other companies will generally not use WebEx. Because of this, video conferencing never took off in Korea either, and most organizations do not have software readily available for video conferencing.







### **Paper Mail**

(00:23:20 - 00:24:00)

Because of the high rate of online connectivity within the population, paper mail is another declining use of communication. Even bills, coupons, and advertisements are declining and there is an expectancy that everything can be done online. Even wedding invitations are more and more now being distributed electronically.





This concludes the video.

Please proceed to next section to begin the test.





Please choose the appropriate answer. In order to receive credit, you must correctly answer at least 8 of 10 questions.

The Korean business environment was heavily influenced by major conglomerate companies such as Samsung, Hyundai, and LG

- True
- False

Who is the largest commercial airplane customer in Korea?

- Asiana
- Jeju Air
- Air Pusan
- O Korean Air

One should give up on a business strategy if a government regulation is a roadblock

- True
- False





The Korean military has traditionally been in a more powerful position within the government hierarchy True  False
Regardless of size, viewership, or subscription numbers, Korean media should all be treated the same.  O True  False
What should always be given and received with two hands?  O Pens O Phones O Business Cards
You are meeting Mr. Kim and his wife Lucy, for the first time, for lunch. How should you initially address her?  O Mrs. Kim  Lucy  Mr. Kim's Wife
You should ask how she would like to be addressed



W	hat color ink should be avoided when writing names?
C	Red
C	Blue
C	Black
C	Green Green
C	oreans are generally very responsive to voice mail as they understand the urgency.  True False
	oreans generally like to connect with work colleagues on social media.  True  False





This concludes the training.

Thank you.

