A Short Guide on Doing Business in South Korea

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Abstract: South Korea is a dynamic country that has experienced rapid economic growth, which has helped the country transition into a leading world economy in only a few decades. This tremendous change has led to a dramatic increase in international business exchanges with Korean companies, yet the complexities and cultural elements of the business environment in Korea are very different from those of a traditional Western-style business. Using cultural insight and real cases of Korean and foreign business exchanges, we have established some critical factors that one must understand in order to be successful in South Korea.

Keywords: business, culture, South Korea

INTRODUCTION AND COUNTRY INFORMATION

History
Thinking of modern-day South Korea invokes images of cutting-edge technology, sleek skyscrapers, and a thriving business environment. Yet within all these new developments, the vibrant Korean culture can be clearly seen—in the gates at Gyeongbokgung Palace in downtown Seoul, in the bustling street food carts selling tteokbokki (spicy rice cakes) and eomuk (fish cakes), and even in the traditional music played as the subway approaches stations. South Korea has become a remarkable player in the world economy, and companies worldwide are attracted to its success and opportunities. But its past is directly interwoven with its present. Therefore, in order to make the most of business deals in South Korea, it is important to first have a basic understanding of the country’s past.

South Korea has a long history, with the first recognized state, Gojoseon, dating back to 1000 to 300 BC. By 18 BCE, Korea was divided into three kingdoms: Silla, Paekche, and Koguryo. This period lasted until around 668 CE, followed by the Unified Silla. The following centuries saw the rise and fall of other kingdoms, with
Korea’s final dynasty, Choson, coming to an end with the annexation of Korea by Japan in 1910. For over 30 years, Korea was under the colonial rule of Imperial Japan, and the Korean people were forced to adapt to various elements of Japanese culture, language, and institutions. With the end of World War II, the Allied nations liberated Korea from Japanese control. However, the country was divided in half under a trusteeship agreement, with the United States maintaining charge over the South and the Soviet Union occupying the North. This agreement—initially implemented for a temporary 5-year period—has continued to divide the country even after both became independent states, with the North and South developing into the Democratic People’s Republic of Korea and the Republic of Korea (ROK), respectively (Connor 2002; West 2009). In 1950, the North invaded the South and started the Korean War, which lasted until the armistice agreement was signed in 1953, resulting in one of the most highly fortified borders in the world: the Korean Demilitarized Zone (DMZ). The DMZ divides the Korean peninsula in half at the 38th parallel, with about 2 km on each side as a buffer, surrounded by barbed-wire fencing, mines, and military bases. The line dividing the North and the South is the Military Demarcation Line (MDL), which is the actual border and could result in the use of military force if crossed (Kim 2005).

Following the war, South Korea faced an extremely difficult rebuilding period. The country had been torn apart by the two wars, which were preceded by over 30 years of annexation. South Korea’s GDP per capita in 1960 was about $150 in current USD, a figure comparable to those of the most poverty-stricken countries in the developing world (CIA 2017). A military coup in 1961 placed Park Chung-hee as the new leader of the ROK, heading a military regime lasting until 1979. During this time, South Korea underwent very fast economic growth through strategic export-oriented industrialization, which was closely monitored by the government. Following the assassination of Park Chung-hee in 1979, Chun Doo-hwan was elected the president after a military coup. He was the last military dictator of South Korea and gave in to the large-scale protests by the Korean people for democratization in 1987, when they elected Roh Tae-woo the president (Buzo 2002; Kim 2005). He was succeeded by Kim Young-sam in 1993 and Kim Dae-jung in 1998, continuing the Korean political system’s transition into a full democracy.

Starting in 1998, South Korean president Kim Dae-jung announced the country’s “Sunshine Policy” toward North Korea, which aimed to open the North up to the world and improve relations between the two Koreas through increased economic assistance rather than military force (Kim 2005). While this policy had good intentions and saw some cooperation between the North and the South, it was ultimately too strained by the militaristic actions and persistent nuclear development program of North Korea. The election of President Lee Myung-bak in 2008 marked a shift in political attitude, moving from a policy aimed at cooperation with the North into one preparing against confrontation (Gelézeau, De Ceuster, and Delissen 2013). South Korea has experienced escalating antagonism from the North since then, which continued into the following terms of its first female president, Park Geun-hye (2013 to 2017), and Moon Jae-in (elected in 2017).

Key Points about Korea’s History

- Koreans have endured several wars and made many sacrifices in the past century alone. They take great pride in the development made by their country and, at the same time, are delicate
to the dynamic transition period they have endured. Thus, visitors are advised to be sensitive to the impact of history.

Korea has had a long and impressive history as well as immense recent success, which can be attributed to the decades of hard work, adaptability, and ingenuity of its people.

Climate and Geography
Located on the lower half of the Korean Peninsula in East Asia, South Korea is surrounded by the Yellow Sea and the East Sea (see Figure 1). Geographically, the country is very mountainous, with around 70 percent of its land area covered by mountains. Most of the population live in lowland urban areas and major cities, including the capital city, Seoul (CIA 2017). To the east of Seoul lies the port of Incheon in Gyeonggi Province, which has been a key entry point into South Korea since its opening in 1883 and later expanded into a transportation hub including train stations and South Korea's main international airport (Incheon Port Authority 2016). The country's advanced and convenient transportation system offers many options for getting around both within and between cities; traveling from Seoul in the northwest to the farthest southeast inland city of Busan takes around 4.5 hours by bus, 3 hours by train, and only 40 minutes by plane. As a result, South Korea is very compact and easy to travel despite having a diverse geography.

Given its long coastline, South Korea is susceptible to typhoons in late summer, which is typically a period of high humidity and heat. Winters are very cold and dry, whereas fall and spring are known for pleasant weather and beautiful seasonal foliage. South Korea has a temperate climate overall, with four clear seasons and the average temperature ranging from \(-5^\circ C (~23^\circ F)\) in winter to \(25^\circ C (~77^\circ F)\) in summer. Rainfall varies annually, though it is usually over 100 cm (~3.28 ft) (Savada, Shaw, and Library of Congress 1992).

Demographics
South Korea has a total land area of 96,920 square miles, which is home to around
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51 million people (see Figure 2). Korea is very ethnically homogenous, with a relatively small but growing population of foreign nationals, mostly from China, the United States, and Southeast Asia. Approximately 82.5 percent of Koreans live in urban areas, which include key cities like Seoul, Busan, Incheon, Daegu, Daejeon, and Gwangju. Life expectancy is very high among Koreans, with the average lifespan for men at 79.3 years and for women reaching 85.8 years. The fertility rate is 1.26 children per woman, and the birth rate is 8.3 births per 1,000 people, which contributed to the country’s growth rate of 0.5 percent in 2017 (CIA 2017).

**ECONOMIC DEVELOPMENT**

South Korea experienced tremendous growth in the post–Korean War period, so much so that it was labeled as one of the Asian tigers. The highlights of economic development during this time comprised of state-led coordination of markets, a focus on exports and mid-tech industries, and development of conglomerate firms (see the case of Samsung). The process toward growth began under the Syngman Rhee presidency (1948 to 1960), which adopted import substitution and sought out foreign aid, although these tactics ultimately left South Korea worse off as they enabled corruption and inflation and did not effectively promote growth. It was not until the period 1961–1971 that growth began to take place, when Park Chung-hee took power and combined military leadership with civil government. Park ruled through authoritarian means backed by military support, which allowed him to make unpopular decisions such as investing funds obtained from the United States and Japan in state-supported industries rather than immediately sharing them with the people (Buzo 2002). Additionally, Park expanded the relationship between the state and large businesses, influencing them to cooperate with government strategies of industrialization and promoting exports by exempting them from legal persecution for previous corrupt activities. Simultaneously, they were held accountable for production through conditional subsidies (Amsden and Hikino 1994; Connor 2002). Clearly, these drastic and authoritative reforms were successful in stimulating development as the growth rate in this period averaged
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Cultural Values

Korea’s culture and moral system has been shaped by a long and rich history, including centuries of Confucianism practice as a way of life, worldview, social ethic, political ideology, and scholarly tradition. Confucianism first reached Korea in the Three Kingdoms Period, but it was not until the 1700s that the principles of Confucianism became thoroughly integrated into Korean society (Kim 2005). Confucian thought is primarily based around filial piety, honor, and worship of ancestors. Family, both past and present, is central to Confucianism, and the core ideals are expected to be practiced by all individuals through rituals and social cues, so it is important for all to understand the social hierarchy. The different levels of respect provide guidelines on how to act toward others, within dimensions of age, relation, gender, and social status. Even rulers were expected to abide by the principles of Confucianism, to set an example for others.

Key Points

- State-led, export-oriented growth was important in the early phases of Korea’s economic development.

Case Study: Samsung

Samsung is South Korea’s most successful conglomerate, also known as a chaebol. In 2016, Samsung’s overall revenue was about $177 billion at an operating profit of more than $25 billion (Samsung Newsroom 2017). Currently, Samsung is a highly diversified business group with around 80 different connected companies, although it may be best known for Samsung Electronics, the maker of high-tech smartphones. However, this world-renowned conglomerate started out in 1938 as a small company founded by Lee Byung-chul, specializing in the trade of dried fish and groceries. Using profits from this business, Lee started businesses in sugar and wool, and continued a strategy of diversification into mid-tech industries and later high-tech industries of electronics and telecommunications (Amsden and Hikino 1994). Samsung is now a massive conglomerate and is impressively still family owned; it has been a major player in the economic development of Korea and contributes significantly to Korean exports and GDP.

13.8 percent, but still many social and political sacrifices were made because of such a controlling government.

The 1970s saw an expansion of the strategy into developing mid-tech industries like steel and shipbuilding, which were successful due to learning from and innovating upon technology borrowed from developed countries paired with a high demand from other emerging markets (Connor 2002). However, by the late 1970s a sharp rise in oil prices and domestic labor demands contributed to an economic downturn, which was successfully overcome in 1981 by reestablishing a firm state control over the economy and devaluing the Korean won to support exports (Buzo 2002). Growth continued in the 1980s, supported by deregulations of trade and financial sectors, and later liberalization of capital accounts. South Korea was hit hard by the Asian financial crisis in the late 1990s, but ultimately recovered, and is one of the few countries to avoid being hit hard by the 2008 economic recession (Fackler 2011). Since then, Korea has experienced further economic progress and an increased global presence, with a GDP per capita of about $27,500 (in 2016; The World Bank 2017).

- Developing mid-tech industries paved the way for expansion into the high-tech sector that South Korea is known for today.
- Major conglomerate companies, known as chaebol, became powerful through government support and diversification of industries.
example for their subjects and earn their respect through benevolence and frugality. Harmony within society is another core value within Confucianism, which centers on the intricate balance between the actions of individuals and nature. Essentially, a ruler’s decision can lead to bountiful harvests or natural disasters, depending on whether the decision correctly interprets Confucian texts and upholds the harmonious balance between humans and nature (Cartwright 2016).

A key aspect of Confucianism is the belief that all men possess five fundamental values, that of benevolence, righteousness, adherence to rituals, fidelity, and moral wisdom. By sharing these values, Confucianism emphasizes equality among men, but also promotes the idea that individuals must also seek out education in Confucianism to better themselves and further develop their morals. Confucianism has historically been deeply entwined with education, as early academies in Korea date back to 372 CE and taught Confucian values. Confucian education was also well connected with the government; students had to pass examinations based on Confucian texts in order to become state administrators. Early Confucian thought also expressed art, literature, and architectural style, where ideals such as restraint and order were utilized in artistic technique and structure (Cartwright 2016). Confucianism’s high value on education and artistic expression has been preserved in extensive historical remains and also likely contributed to the high emphasis on education in modern Korea.

Korea’s culture continues to shape its people’s perceptions, dispositions, and behaviors (Triandis 1989) as culture is “the training or refining of one’s mind from social environments in which one grew up” (Hofstede 1991, p. 4). Breaking down the complexities of culture requires an organized approach, such as the nine cultural dimensions of the GLOBE study (GLOBE 2016). Figure 3 reports the country scores (means) for each dimension as Koreans view their society. This contrasts with the pattern found

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**Figure 3: Cultural Dimensions of South Korea and the United States (GLOBE 2016)**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>South Korea</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance orientation</td>
<td>4.49 / 4.55</td>
<td>4.4  / 4.55</td>
</tr>
<tr>
<td>Assertiveness</td>
<td>3.97 / 4.15</td>
<td>4    / 4.15</td>
</tr>
<tr>
<td>Future orientation</td>
<td>3.81 / 4.17</td>
<td>4.2  / 5.2</td>
</tr>
<tr>
<td>Humane orientation</td>
<td>4.25 / 5.54</td>
<td>4.88 / 5.61</td>
</tr>
<tr>
<td>Institutional collectivism</td>
<td>2.5</td>
<td>3.34</td>
</tr>
<tr>
<td>In-group collectivism</td>
<td>4.15</td>
<td>4.15</td>
</tr>
<tr>
<td>Gender egalitarianism</td>
<td>3.55</td>
<td>4.15</td>
</tr>
<tr>
<td>Power distance</td>
<td>3.55</td>
<td>4.15</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>3.55</td>
<td>4.15</td>
</tr>
</tbody>
</table>

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in the United States. The following subsections interpret these results obtained from the GLOBE study.

**High Power Distance**
A high degree of power distance means that Koreans expect and agree that power should be stratified and concentrated at higher levels. As outlined earlier, Korean culture has historically been heavily influenced by Confucianism, which entails showing the appropriate level of respect to others depending on their social status (Connor 2002). Additionally, Korea's long history of being an agrarian society necessitated all family members to gather and share living environments for life, which meant that it was important to uphold hierarchy and status to maintain the family group in order. Age was an important determinant of one's hierarchy within a group, since older family members were traditionally respected according to the Confucianism practice, and also valued and respected for their knowledgeability about what to do in response to various contingencies. Nowadays, this hierarchical social stratification is still deeply entrenched in the culture of many companies in Korea, although younger generations display more openness to a decrease in power distance. An example can be seen when meeting someone for the first time, since one of the first questions a Korean may ask would be, "How old are you?" This question may seem surprising for people from Western cultures, but in South Korea it is an important information in order to gain a mutual understanding of one another's status and know one's role within a relationship.

**Low Gender Egalitarianism**
Gender egalitarianism is the degree to which a society minimizes gender role differences while promoting gender equality. South Korea scores quite low on this dimension, which captures the perceived lower status of women in society and fewer numbers of women in authoritative positions (GLOBE 2016). Just like with power distance, gender equality in Korea is also influenced by the historic connections with Confucianism, which placed women in a subservient position to their father, husband, and sons (Connor 2002). This in turn has influenced various aspects of society that can still be seen today; one word for saying "wife" in Korean, **ansaram**, literally means "inside person." It wasn't until 2008 when the family head system, **hoju**, was finally abolished, which had previously required registration under family (namely, male relatives) rather than allowing individual registration. As a result, previous generations have had difficulties overcoming these challenges of inequality in the workplace, but the changing society supported by institutional changes and movements by the people will likely see some developments in this dimension.

**High Institutional and In-Group Collectivism**
Institutional collectivism gauges the degree to which collective distribution of resources and collective action are encouraged and rewarded. In-group collectivism, on the other hand, measures the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families. South Korea scores highly in both dimensions. This is not surprising, since traditionally, community and family groups have had close ties that are often lifelong; it is not uncommon for children to live with parents until marriage, and even after marriage, parental ties (especially with the husband's parents) remain strong. An extension of this strong collectivism can be seen in the high degree of loyalty to organizations. When referring to a workplace in Korea, one would expect it to be described as a “friendly, family-like organization,” which shows that Koreans tend to exhibit loyalty to their workplace and present it as a second family to them. Within workplaces, people are expected to be assimilated into the organizational culture, which enables them to maintain strong connections and harmony with the
existing members. Additionally, Koreans have a high sense of nationalism, showing strong love for their country and desire to contribute to the improvement of society as a whole (Coyner and Jang 2010).

**High Assertiveness**

A high score on assertiveness relates to Koreans interacting in an assertive and controlling way in social relationships. Despite this high score, in practice, assertiveness is not traditionally seen in Korean culture due to the influence of Confucian values of social harmony and respect within relationships. Furthermore, comparing this score with the GLOBE study’s data on society values shows that Koreans wish for significantly lower assertiveness than what is reflected in the as-is score (Chhokar, Brodbeck, and House 2008). In practice, for instance, it is considered socially polite to wait until the other person finishes talking. Additionally, compared to the Western style of communication, in Korea it is more common to express oneself indirectly and present oneself in a humble manner. However, the fast-paced business environment and the changing role of individuals increasingly make direct and assertive communication styles more likely. Thus, Korea’s high score in assertiveness may be the result of modernization and shifting societal expectations, but ultimately it is not seen as a social value.

**Medium-High Future Orientation**

This medium-high score in future orientation shows that Korean culture tends to prioritize long-term success over short-term gain; they plan and invest in the future, sometimes at the sacrifice of immediate gratification. The economic development period in the decades following the Korean War exemplifies this notion, since the strategy was focused on investment for the future rather than consumption at that time. Elements of future orientation can also be seen in society today with regard to the education system, where extensive resources are utilized to enhance education at school and after school in hagwon study academies to provide the best chances of future success for students. These academies specialize in a variety of subjects, from math and foreign languages to lessons in sports and arts. Children attend hagwon from a young age, though the focus on studies intensifies during middle and high school in preparation for the eight-hour university entrance exam. Older students typically spend eight hours at school followed by around five hours of study at a hagwon, and will likely continue to study at home. Sending children to hagwons entails a high price for parents (more than 10 percent of household spending), but the practice is seen as a necessary investment of time and money for the long-term success and competitiveness of their children (The Economist 2015).

**Medium-Low Uncertainty Avoidance**

Uncertainty avoidance is the extent to which people strive to avoid uncertainty by relying on established social norms, rituals, and bureaucratic practices to alleviate unpredictability of future events. South Korea does not score very highly on this dimension. This may be due to South Korea’s great deal of change and restructuring affecting nearly every aspect of society in the past few decades. Such openness and acceptance of change involved dealing with uncertainty and taking risks, which have paid off economically. Additionally, trust on one another is exceptionally high in Korea, thanks to its Confucian roots of maintaining harmony in society; this high level of trust may take the place of procedures meant to combat uncertainty (Coyner and Jang 2010).

**High Performance Orientation**

Korea scores quite high on performance orientation, meaning that the society highly encourages and rewards its people for performance improvement and excellence (GLOBE 2016). Competition begins in childhood under the education system in Korea. Students develop strong study habits from an early age and expand their
In secondary schools, students are ranked based on their academic standing, driving the competition even higher. Studying grade-level concepts is not enough; it is common for students to learn several grade levels higher in order to stay ahead. The most competitive students are accepted into Korea’s top universities, which are seen as stepping stones into successful careers. Still, competition continues into the working world, with extensive multistep recruitment processes and expectations for employees to work long hours. Although the competition is fierce, high-performing individuals are ultimately rewarded with better educational opportunities and careers.

**Medium-Low Humane Orientation**

South Korea has a lower degree of humane orientation, so the society and its organizations do not really encourage and reward people for being fair, altruistic, caring, and kind to each other. Although Koreans have deep connections within their collective groups, there is not as much of an obligation to those outside the group. Competition in society, as shown in the dimension of performance orientation, also can contribute to a decreased tendency to be exceptionally caring of others outside one’s group. This relates to the traditionally strong familial ties and collective ideals associated with Confucianism, which remain strong within groups today but may be declining in modern society in terms of maintaining harmonious balance even toward external forces.

**Communication and Leadership**

Cultural elements of communication and leadership also are key aspects of South Korea’s business environment. Communication in the Korean business setting is very much oriented toward showing respect, so Koreans will typically listen carefully and take time to consider responses toward others (Lewis 2005). This makes South Korea a country with reactive communication, so those coming from linear active (task-oriented and organized) or multiactive (people-oriented) cultures must be aware of this characteristic in order to effectively communicate. It is also crucial to have a good understanding of trust and expectations of relationships among Koreans, since Korean culture is noted for having low explicitness of information and also relatively high context (Hall and Hall 1990). High-context cultures like Korea have been found to value the development of personal relationships in business, while low-context cultures like the United States tend to form relationships only in the short term (Arunthanes, Tansuhaj, and Lemak 1994).

Cultural differences are exemplified in communication, where research has associated three main findings for the high-context Korean culture: greater frequency of messaging, influence of language, and preference for formality. Since high-context cultures tend to use more circular communication with implied meaning, members within that culture will message more frequently (Koeszegi, Vetschera, and Kersten 2004). Additionally, differences in the nature of language may influence formality (Shachaf 2008). Korean language has seven levels of politeness in speech, although only three are most commonly used: informal (*banmal*), polite, and honorific (both are levels of *jondaetmal*). Addressing other people using the correct title and speech level is a core part of Korean language and culture, which may carry over into English as well. Koreans are often not very comfortable using only first name and often include the proper titles of their email recipients (Murphy and Levy 2006). As a result, it is important to understand the implicit meanings and emphasis on formality when communicating with Koreans in business.

Furthermore, the GLOBE study identifies how culture influences societal leadership expectations and the importance of aligning these expectations with CEO behaviors in order to be successful leaders (see Figure 4).
Of the six dimensions described by the GLOBE project, South Korea scores lowest in the autonomous and self-protective dimensions, showing very little benefit for independent leaders and actually inhibiting leaders that focus on ensuring the security of individuals through status improvement. On the other hand, South Korea scores most highly in charisma and team orientation, demonstrating the need for leaders to motivate and inspire employees to perform highly while simultaneously unifying all team members under the same goal. This is likely reinforced by the strong cultural values for performance orientation, collectivism, and power distance, all of which support group cohesion and productivity, as well as emphasize respect for leaders. Being charismatic and team oriented will likely directly contribute to the success of CEOs in South Korea.

**Business Etiquette: Tips and Tricks**

Conducting business in South Korea may appear daunting at first, as it may seem impossible to understand the many complexities in all aspects of the society that make Korea very distinct, especially from Western countries. However, despite very vivid and obvious differences, travelers can be reassured that Koreans are generally very welcoming and kind to foreigners. Many Koreans speak English well and are often taught (especially those in business settings) how to act in the presence of foreigners, such as offering a handshake in place of a bow. Although many Koreans have learned how to adapt to Western culture and conduct business in that way, one will ultimately be more successful by also adapting to and understanding Korean business etiquette.

**Tip #1: Show Respect and Use Formality**

As mentioned above in the section on culture, knowing one's place in social hierarchies is very important for Koreans, and this is reinforced by the strong preference for using titles. Using formal titles when addressing others is critical for showing respect, and failure to do so would give off a rude and ignorant impression. Additionally, this first impression also may involve an exchange of business cards,
which Koreans view as an extension of one's self and position. Therefore, showing the proper respectful reaction upon receiving a Korean's business card is also important. To do this, one can receive business cards with both hands, or with the right hand extended and the left hand held at the right elbow. Then, one must take a moment to read over the card, observing their companion's name and title. It is important to note that one should not receive with the left hand, or fold and put away a business card without taking a moment to examine it, as doing either of these actions would be considered disrespectful. Respect can also be shown through greetings using a bow or handshake. Many Koreans are familiar with shaking hands as a greeting with Western people, although the same practice of using the right hand with the left hand on one's elbow is typically done to show respect. Bowing may also be used as a greeting, but one should understand the different levels of bowing, which range from a nod of the head to a 90 degree bow. Generally, bowing more than 45 degrees would be viewed as inappropriate and too formal. Greeting others with the proper bow or a handshake will show respect to fellow businesspeople and help give a good impression.

Tip #2: Understand “Face” and “Nunchi”
The concept of “face” ties into Confucian beliefs of showing respect and maintaining harmony in society. “Face” refers to one’s feelings and dignity, and Koreans are very sensitive to this for themselves and others. One way that “maintaining face” is often noticed is in rejections and admission of mistakes; Koreans typically avoid outright refusals and will not directly point out the faults of others; rather, they might subtly offer alternative suggestions. The reverse is also expected, and if business is being conducted in English, then it may be helpful to emphasize key points and ask questions to confirm comprehension, since Korean partners may hesitate to admit to any confusion with the language differences. Moreover, developing skill in nunchi will also help improve one’s sensitivity toward face-saving. Nunchi literally means “eye energy,” though it is better understood as having a sense or an ability to read others well. This involves paying attention to body language and subtleties used in conversation that reveal the real thoughts of others. Eye contact is especially important, so conveying a feeling of honesty through eye contact will help gain trust with Korean partners, while avoiding eye contact would instantly raise doubts (Coyner and Jang 2010).

Tip #3: Take Time to Build Relationships
Business relationships in Korean culture are based on trust, and this applies when dealing internationally as well. In Korea, there is a feeling called “jung,” which represents one’s empathy toward friends, colleagues, and acquaintances. Jung goes beyond just trust, as it involves not only one’s faith in someone but also a willingness to look out for them. Koreans can develop jung among coworkers, and the same goes for business partners where building a long-lasting relationship is possible when jung is established. As a result, Koreans are confident in business deals due to the trust they have developed with their partners, and so foreign businesspeople should take time to strengthen their relationships with their Korean associates in order to have a stronger business partnership. Therefore, one should focus on the process of doing business instead of just the contractual outcome, as developing personal ties will be much more beneficial in the long term (Coyner and Jang 2010).

A common way of building trust involves going out to eat and drink with colleagues. Sharing meals is an important experience for Koreans, as meals are traditionally shared from collective dishes at the center of the table. Eating together promotes solidarity through the closeness of sharing a meal and is often also combined with drinking alcohol. Some Koreans in business may opt to go out for meals at Western-style restaurants, but
understanding the customs of traditional Korean meals will definitely help in trust building. If invited to a Korean-style restaurant, one could be expected to take off shoes at the door (there will likely be a cabinet to place them in) and also be seated at a low table on the floor. Many restaurants have seat cushions and have heated floors in winter, so sitting at a Korean-style table can be quite comfortable. On the table will be many small dishes, called banchan, which are a variety of side dishes that are shared. Main dishes may be served individually or shared at the table, although each person will have their own rice bowls. Rice is traditionally eaten using a spoon in Korea and chopsticks can be used for most other foods. In terms of table etiquette, one must not stick chopsticks in the rice when one has finished eating. Doing this resembles an offering to the dead, and would be quite a shock for Korean companions. When drinking, the standard is to pour drinks for others first, and then one’s companion will pour you a drink. Drinking among colleagues is an important social practice for Koreans, and refusing to drink can be seen as impolite if done without tact. More accepted refusals can be religious or medical reasons, and so having a customary excuse ready will help maintain the social atmosphere for those who do not wish to drink alcohol.

**Tip #4: Be Open to Differences and Willing to Learn**

There are many unique aspects of Korean culture that foreign businesspeople will undoubtedly experience. Some will seem very different at first, such as the distinct foods and tendency for questions that Western people may find personal. However, asking about one’s marriage and offering special meals are ways that Koreans show their desire to get to know their colleagues. Being open to these differences and accepting them will help with the process of getting accustomed to Korean culture and will also help with relating more to Korean partners. Koreans have a lot of well-deserved pride in their country, and so showing a strong interest and appreciation for their culture is a great way to get closer with colleagues. Being humble and learning from Korean companions will result in a better partnership for everyone and a strong level of trust in the relationships. Using some basic Korean words will also help relate with Koreans and show a willingness to acclimate to Korean life. Some common and useful phrases are listed in Figure 5.

**Figure 5: Basic Korean Phrases**

<table>
<thead>
<tr>
<th>English</th>
<th>Korean</th>
<th>Pinyin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hello</td>
<td>안녕하세요</td>
<td>Ahn-young-ha-say-yo</td>
</tr>
<tr>
<td>It’s nice to meet you</td>
<td>만나서 반갑습니다</td>
<td>Mahn-nah-suh Bahn-gahp-sum-nee-dah</td>
</tr>
<tr>
<td>My name is ____</td>
<td>제 이름은 __입니다</td>
<td>Jeh Ee-rum-uhn ____ eem-nee-dah</td>
</tr>
<tr>
<td>Bon appetit! (Say before eating a meal)</td>
<td>잘 먹겠습니다</td>
<td>Jahl Muk-geh-sum-nee-dah</td>
</tr>
<tr>
<td>I’m sorry</td>
<td>죄송합니다</td>
<td>Choi-song-hahm-nee-dah</td>
</tr>
<tr>
<td>Thank you</td>
<td>감사합니다</td>
<td>Kahm-sah-hahm-nee-dah</td>
</tr>
<tr>
<td>Good-bye (say if you are the one leaving)</td>
<td>안녕히 계세요</td>
<td>Ahn-young-hee Gye-hah-say-yo</td>
</tr>
<tr>
<td>Good-bye (say if you are the one staying)</td>
<td>안녕히 가세요</td>
<td>Ahn-young-hee Gah-say-yo</td>
</tr>
</tbody>
</table>
References


Incheon Port Authority. 2016. History of Incheon Port. Port of Incheon. https://www.icpa.or.kr/eng/content/view.do?menuKey=613&contentKey=408


