CHARACTERISTIC DISTINCTIONS BETWEEN RUSSIAN AND KOREAN CORPORATE CULTURES

Abstract: Every nation has its own culture, which was formed under the influence of religion, customs, norms and traditions. Both South Korea and Russia have their unique cultures which have a significant impact on business practices of two countries, especially at the international level. As today many South Korean enterprises, such as Hyundai, LG and Lotte, operate their representative offices in Russia, it is essential to understand the South Korean culture and use that knowledge appropriately to improve the quality of cooperative work. This article emphasizes the most common barriers in intercultural communication between Korean and Russian employees and the strategies for overcoming them, which will help to contribute to the further development of bilateral relations.

Keywords: Republic of Korea, Russia, corporate culture, cultural differences, international business.
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ОТЛИЧИТЕЛЬНЫЕ ОСОБЕННОСТИ РОССИЙСКОЙ И КОРЕЙСКОЙ КОРПОРАТИВНЫХ КУЛЬТУР

Аннотация: Каждая нация является носителем своей собственной культуры, которая была сформирована под влиянием религии, традиций и социальных норм. Россия и Республика Корея также являются носителями двух уникальных культур, которые оказывают непосредственное влияние на то, как в обеих странах ведут бизнес, особенно если речь идет о международном бизнесе. Поскольку на сегодняшний день на территории России находится большое количество южнокорейских предприятий, и такие корпорации как Hyundai, LG, Lotte имеют в нашей стране свои представительства, необходимо понимать данные культуры и использовать эти знания должным образом для улучшения качества совместной работы южнокорейских и российских сотрудников. В данной статье приводятся примеры наиболее распространённых проблем межкультурной коммуникации, возникающих между российскими и корейскими сотрудниками, а также способы их предотвращения для дальнейшего развития двусторонних отношений.

Ключевые слова: Республика Корея, Россия, корпоративная культура, культурные различия, международный бизнес.

It is common practice in Korean business culture to have senior managers in one specific firm connected by family ties, that is why all Russian branches of Korean companies recruit local employees only at the middle management level (financial, legal, technical departments). Direct intercultural communication involves mainly senior employees and supervisors. Thus, it is vitally important for them to possess the knowledge
of fundamental distinctions between corporate cultures of two countries and refer to it both in interpersonal relationships and business communication. In this article we will focus on the most fundamental aspects of corporate cultures of both countries.

**Value system.** It is widely known that Russian value system resembles the Western one to a high degree. Such components of it as the importance of private life and the focus on self-development are considered to be of paramount importance for Russians and westerners alike. However, it is drastically different in case of Korea. Collectivism is a basic value dimension for Korean people. In their culture, an individual is expected to consider the benefits and interests of the whole group/community to which they belong before making any decisions. Equally, this is true for their corporate culture and working relationships. Due to the collectivist modus operandi Korean employees tend to be highly loyal and committed to a particular company; many of them work all their lives for one company and very rarely quit. Change of the workplace is also disapproved of by the society.

This aspect should undoubtedly be considered in the process of intercultural communication. In order to be successful in doing business with Koreans, it is crucial to establish good personal relationships based on mutual trust. Koreans are not willing to do business with strangers without the introduction and support of their friends. Upon introducing and establishing personal relationships, South Koreans are more willing to regard a foreign company as a part of their group, and, as a result they will display more desire to collaborate in order to achieve the common goals and gain profit for mutual benefit.

**Negotiation approach.** As far as the negotiation in business meetings is concerned, Russian companies need to be mindful of the rigid hierarchy that is observed in the Korean society. Therefore, when conducting business, it is necessary not only to understand who the decision maker is, but also to contact this person prior to the meetings. With respect to the process of negotiation itself, approaches differ significantly in two countries. Russians prefer to do business directly. Russian businesspeople present their opinions and feelings by giving direct and clear answers. It is not typical of them to pay great attention to such things of secondary importance as gift-giving or presenting business cards with both hands because they are more result-oriented and it takes them less time to complete the whole process of negotiation and reach an agreement. In contrast, Korean businesspeople tend to avoid expressing
directly what they actually have to say. Even if they disagree on a certain aspect of the deal, they will be reluctant to give direct refusals, giving positive or ambiguous answers instead. The only way to understand their real intentions is to practise the picking-up of non-verbal language, which Koreans widely use as an additional means of expressing themselves. It is clear, however, that such a considerable difference in behaviour can become a serious obstacle for the two parties, making it hard to achieve agreement in business.

Hierarchy. For the purpose of this article we will think of hierarchy as asymmetrical relationships with vertical power distribution. Hierarchical relations permeate the Korean society and, of course, inevitably affect corporate culture. This means, first of all, that the eldest person at a given gathering usually plays the role of the initiator of the activities, such as entering the room, greeting the host and consuming food. Regarding the order, for example, the elders and the ones with higher hierarchy rankings go first to get food in the buffet restaurant. Junior company members always show their respect by serving them.

Due to the fact that, from the two cultures in question, as a rule, Korean people are more concerned with matters that are not directly related to them, at the interview with the employer candidates are more likely to be asked about their family. Koreans believe that a person without a family cannot build a successful career in a company as they are incapable of maintaining harmonious relations with other employees. In other words, age, social and marital status are of vital importance in Korean corporate culture.

According to Russian social norms such things are not considered to be of great value in the process of employment. Although, in some professions, age restrictions exist, it is not very common for Russian employers to pay particular attention to such details. As previously mentioned, our society has more similarities with the West rather than with the East. That is why, when the employment is concerned, we tend to look at the qualifications and experience in the candidate’s chosen field of work.

To sum up, Korean companies are already widely presented on the Russian market and the collaboration of Russian businesses with them is steadily increasing. However, dissimilar corporate cultures often cause difficulties in handling daily business affairs with Koreans. It is possible to overcome cultural barriers if both parties deepen their understanding of the value system of the other country. For these purposes special courses can
be introduced. Increasing the awareness of each other’s corporate culture is the first step to successful intercultural communication and, consequently, the efficient and productive collaborative performance.

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