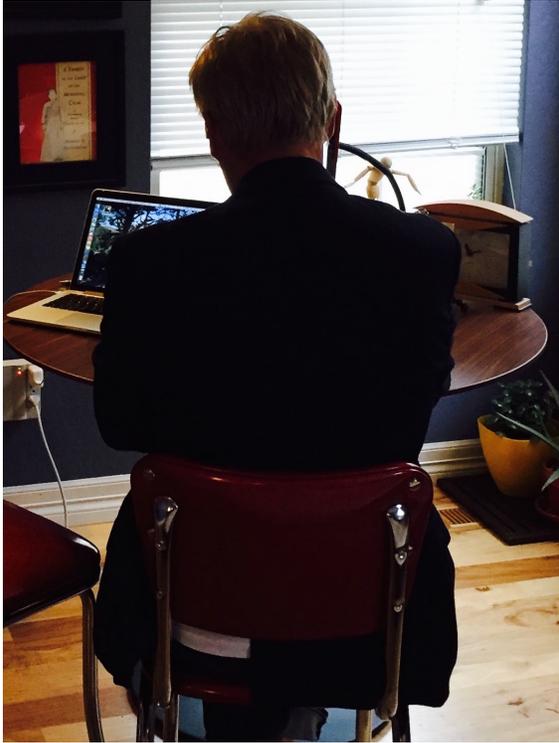


... from the Korean Business Toolbox: “Intervention” 2017

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Recently, as well as over the years, I’ve been asked to provide a Korean business solution to a recurring and deep concern by western management of South Korea-based companies.

Before sharing, I would like to state that I work closely with Koreans daily. Many serve as expatriates on overseas assignments and many are members of overseas teams based in Korea. As with all individuals, no two of us are alike –and the same goes for Koreans... each with his or her own unique strengths, skills, experiences and personality.

A challenge I was recently asked to address is the intervention by Korean expatriate partners (commonly referred to as Executive Coordinators) in decisions that are best handled by local western teams.

Probing more, I learned that based on their long experience in the market and industry local western management felt these decisions were often short-sighted, reactive and not aligned with their well thought-out strategy. Of greater concern were decisions that were one-sided and not a result of collaboration. In any case, local management felt their input and expertise was being marginalized. As pressure to meet “Sales Targets” has grown, so too, do we see increased intervention by the Korean teams.

Add that Koreans expats whose DNA are rooted in a collective society and mindset where they feel not only the local stress, but also a Groups’ broader pain with China and domestic South Korea sales down.

I find two drivers in the spike in recent intervention.

1. In recent years, overseas branches have had considerable success. In turn, an expatriate working in an overseas branch could can take credit for this success and see a boost their career when they returned to Korea. Many who have been assigned to the U.S. and top markets in the EU and the Middle East move to higher positions within the company.

Conversely, if sales decline, they perceive that their careers will suffer and they feel forced to engage more and more.

2. The second driver is Korea leadership pressuring their Korea teams to engage, develop a plan, take immediate action and push themselves.

In some cases this has translated into serving less as a collaborating liaison with the Korean HQ and advisors and more as the key decision maker.

Some background

Most Korean overseas subsidiaries have Korean management assigned to the host country.

The general term for these representative employees is *ju jae won*. Within the local overseas organizations, they may be called Coordinators, Executive Coordinators or Executive Advisors.

Some expatriates can hold a line managerial position with day-to-day responsibilities alongside western managers, while others hold key management C-level positions, such as CEO, COO, or CFO.

The Korean expat model has a rotation cycle in which teams and executives are assigned to overseas divisions for 3-5 years. They then return to Korea for reassignment with a replacement expected to take over—often with little preparation.

Strengths, skills and experience vary, too.

For some, this is their first overseas assignment. This means it is also the first time newly assigned Korean expats may be required to directly participate in the decision making process.

In Korea, senior management makes decisions and their teams execute the plan.

Roles vary with each company, but most often, as I noted, a coordinator's primary role is to act as a liaison between Korea and the local subsidiary.

So where is the challenge?

Ju jae won are skilled and accomplished in Korean style business operations, norms and practices.

However, they have now been assigned to an overseas subsidiary where norms, practices, expectations, and laws differ. Moreover, their responsibilities and assignments in the subsidiary may be in a department or specialty, in which they had little or no experience in Korea. Layer on stress and we often see reactions ranging from hopeful second-guessing to risk-avoidance and holding back on any decisions. More so recognize that expatriates are cognitive that local markets and management styles differ from Korea.

This is often tackled with Korean colleagues as a team pondering over a challenge and developing a plan of action.

The disconnect in overseas operations may occur when the *Ju jae won* defer to their own or the Korean colleagues (locally and in Korea) in decisions rather than collaborate with local management. In turn, western team see themselves consulted only to validate preconceived ideas or to implement directives from Korea.

Drilling Deeper

This has led to local management seeing their input and expertise being marginalized--more so with complex situations and in long-term planning where “drilling deeper” that may uncover ramifications.

More specifically, Korean teams under pressure are driven to take immediate action, which can result in little joint discourse related to potential trade-offs and risks in projects assigned to the local subsidiary.

Particularly with a narrow and reactive workplace approach, one can draw an analogy to jigsaw puzzle building. The pieces to a puzzle have many unique sides. There may be different ways to place them into the puzzle. What is required is to look diligently at all possible options.

Like all challenges, one needs to explore the different possibilities to find the right solution and how the piece fits into the overall puzzle—essentially one needs a reflective mindset.

As a Korean colleague once pointed out, their society beginning with grade school does not promote reflective thinking and instead looks to promote a thought process that leads to more immediate results. In fact, Korean high school students spend more than 14 hours a day studying, memorizing and preparing for exams—a model that stifles creativity.

Bottom line reflective thinking requires taking acquiring knowledge and then calling upon one's own experience, utilizing evaluative skills and admitting personal bias. The result is a broader perspective and a better view of the bigger picture. Without working through a robust analysis of a problem from multiple angles and considering potential repercussions a solid evaluation can never arise.

By allowing one to think outside the box through a reflective and conscious lens, the time invested in analysis will lead to effective solutions—required in times of high stress.

Tempering Intervention

This Korean intervention leads to the question on “How to soften the Korean reactive inclination to jump into implementing with hopes of producing immediate results?”

I'd like to provide some proven workarounds—in particular, tempering Korean teams' pressing for immediate results.

1. Foremost, to soften the Koreans' inclination to jump into implementing a plan with hopes of producing immediate results, look to minimize the anxiety for both the local Korean team and the headquarters team. Show confidence that the challenge can be overcome. (I'm happy to coach you on specifics).
 2. Acknowledge your high engagement and assure the teams that action will be promptly taken.
 3. A next step upon receiving a directive from Korea is to have an informal discussion with local Korean teams to brief them on possible action steps that enable the team to work through what needs to be explored more deeply.
 4. Follow up with email correspondence confirming what was discussed verbally.
 5. Allow a day or two for the Korean team to review. In many cases the Korean teams are not familiar with local practices and the vocabulary used to describe Western technical nuances.
- The local teams may also want to report back to Korea on progress. HQ leadership are ultimately responsible, so the better informed they are, the more trust they will have in local teams—Korean and Western—that the project will progress.
6. Remember you may not receive any immediate feedback.
 7. Conducting informal daily updates to the Korea teams and sharing the steps undertaken with the local Koreans can also be helpful.
 8. Even better is reporting any positive accomplishments in your review process.
 9. It is particularly important to address the potential trade-offs and risks as action steps leading to solutions and assuring the team that these steps will not impede the project and may, in fact, avoid costly setbacks.
 10. Finally, having said all this, maintain trust through strong relationships between the Korean and Western local organizations is essential.

One more thing....

I'd be happy to discuss and share my recommendations for a Korean business workarounds... and specifically how to improve relations between western and Korean teams.

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