

Establishment of the ASEAN DB by Utilizing Multicultural Human Resources

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Abstract. This study aims to help business community understand other cultures by utilizing the database. Particularly, the comprehensive information on the member states of ASEAN, which should be perceived as *Blue Oceans*, will be used for the companies to survive the global competition. In the midst of the global business arena, cultural literacy plays a very important role in expanding business overseas. That is, companies' international management is in an inseparable relation with their competence in cultural understanding. In this regard, the DB will enable the businesses to have multicultural understanding, which is essential to resolve the problems resulted from cultural differences. Also, it will strengthen national competitiveness in the long run.

Keywords: the DB by nation, multicultural human resources, cultural diversity, cultural literacy, ASEAN

1 Introduction

As a trade barrier between nations is getting lower and market opening is expanded, the globalization of the industries is getting intensified. As a result, propensity of the consumers becomes homogenized and consequently the competition between nations and between companies is getting fiercer and fiercer. From this perspective, it is a very important to secure the global competitiveness, as the economic development of Korea depends on the export. We live in the world where international culture is being delivered to our living room every day thanks to the development of media and transportation and one-day travel even to the other side of the earth is possible. However, it is not possible to discover the differences of various cultures with superficial experiences in other cultures. Although the world becomes one economically, cultural spectrum is wide and diverse. Consequently, nurturing creative multicultural human resources matching with global era will be the core of the global management[1].

For example, we need to recognize how the diversity of culture is developed to prepare for the Global Era. In the other side of Jasmine Revolution in early 2011, there were the hostility and the conflicts of diverse tribal cultures even though they were tied up as a country as well as the political reason such as the liquidation of the dictatorship. Cultural difference acts as a strong mechanism to change the existing orders as such. Asia also shows diverse cultural distributions. Although China addresses One Nation under the motto of political Sinocentrism, Chinese culture is

not a monoculture. It is the same to Japan that is considered as relatively homogeneous. The Ainu race of Hokkaido looks different from traditional Japanese. They have their own cultural identity and fair complexion similar to Caucasians from the racial perspectives. While travelling Delhi to Bombay in India, you could discover various cultures and differences between them more than when you travel tens of European countries such as from Norway to Italy. To make a long story short, India has many different cultures in it and the North and the South have totally different cultures. In the South, people live on rice just like the other countries in Asian culture, while in the north they live on flour. India is the country with mixed food culture one with rice and the other with flour.

As such, the culture makes differences. Sometimes, the difference in customs influences much more on the human relationship than food culture. In Islam culture such as Iran, Iraq, Pakistan, Bangladesh and Afghanistan, men stand close and have conversations face to face as an expression of friendliness. However, in Western countries, they try to avoid standing close together and physical contacts are refrained between same sexes even when they are best friends because of the perception that physical contacts between the same sexes can bring misunderstanding about the sexual orientation.

The difference between the cultures may incur severe discord whether it is positive or negative beyond being different or interesting. Especially, overgeneralization resulted from the ignorance of the specific culture may give negative impression to the counterpart. For example, there is a businessman who thinks global management is very important. If he introduces a business partner from Scotland to others as English or give a bottle of whisky to a businessman in Guzarat in India as a present, where the law for prohibiting alcohols according to the doctrine of Hindu and Gandhi's spirit is still in place, those behaviors may not bring good results even though he did them with a good will.

As such, the cultural difference not only being distinguished in the customs aspect but also has important meaning in the industrial aspect. The capability to compare, analysis and understanding of the other culture is the source to create economic value of the countries[2]. Ginseng farming in North America is the example to show a success story to internalize heterogeneous culture and to make a course to develop the national economy. Ginseng, which is known to be originated in Asia such as China, Japan and Korea, is the specialty product of Korea. Korean Ginseng is famous for its quality.

However, it is sometimes overlooked that US or Canada is a major Ginseng exporting country. Ginseng was introduced to North American Indians in early stage but its industrial utilization is increasing as the effects of Ginseng is known to the mainstream people in North America, increasing the cultivation area. The Ginseng industry in North America is developing by widening the cultivation every year. It occupies considerable share in world trade that is recorded as about 3,500 ton to 4,000 ton. Unlike Korea, focusing on Red Ginseng products, they produce white Ginseng only. Almost 80% of their production is exported to China.

From the economic perspective, studies on other cultures in North America created the industrial value addition to the medical utilization. In other words, during the process to understand a culture, not only the realizing a philosophical statement such as 'Respect for the Cultural Diversity' but also economic benefits are produced.

Additionally, the understanding of the culture and open accommodation attitude become the basic ground to nurture human resources and influence the human resource utilization stage. In other words, diverse cultural climate that a society has is directly linked to the cultural openness of a country in the modern society where globalization and knowledge information are major trends.

Korea that had high growth in 70s and 80s has been showing lower economic growth since mid-1990s. It is essential to secure good human resources for the take-off the Korean Economy in recession. Recently, it becomes easy to construct a multi-cultural educational infra because of the inflow of foreign immigrants with various cultural backgrounds. Considering the reality that more and more companies enter international market, multicultural education is the core element in the development of human resources by nurturing the driving force for the future growth beyond the dimension of cultural understanding.

Especially in small and medium sized enterprises that cannot compete with large enterprises in capital, information and human resources, it is really important to have knowledge and information that can be timely utilized enough to decide the continuity or the disappearance of the company. The result showing only 30% of the companies entering foreign countries have succeeded suggests that the failure is resulted from the insufficient capability to understand the culture which occurs from the psychological and social capabilities of the entrepreneur rather than insufficiency of technology or bad management. Accordingly, the establishment of the DB by nation focusing on the entrepreneurs will help us to prepare the ground for the global management and accumulate high quality human resources.

2 Status of Trading with the ASEAN Countries

In constructing data bases per nation, it was judged that the target should be the provision of the knowledge and information on non-western culture so the ASEAN countries that are expanding the trading with Korea were chosen. In modern society, western culture represented by America is in place as the universal mainstream culture. In the morning we drink Starbucks Coffee, have McDonalds at lunch and watch Hollywood movies at night.

Such a life style is not unusual at all. On the other hand, we do not know what Vietnamese and Thai people like to eat and drink, and who are the great people and the celebrities they respect and like. It means the discriminative perception of the people on the political and the economic level of western countries and non-western countries are led to the cultural discrimination, ignorance and indifference to them. Because of such a cultural bias, it is very hard to learn the language or acquire the information on those countries in Korea. However, reflective thinking is needed whether the indifference to the developing countries can be taken granted in the economic aspects.

As shown in Table 1, trade between Korean and the ASEAN states are increasing every year with largely favorable trade balance. Additionally, although the total trade volume is far less than North America or Europe, the annual export growth is much higher in the ASEAN area. Even in economic depression because of the financial

crisis in USA (2008-2009), the decreasing rate of the export to ASEAN was much less than other economic zones. After 2009, annual export growth has been more than 20% per year, which shows that the export conditions of Korean companies are getting quickly recovered¹.

Table 1. Status of Trading with the ASEAN Countries (unit: USD 1,000)

Period	Trade Balance	Export Amount	Import Amount
2007	5,639,181	38,748,818	33,109,638
2008	8,365,382	49,282,849	40,917,467
2009	6,925,889	40,979,192	34,053,303
2010	9,096,393	53,195,307	44,098,915

Table 2. Growth of Exports by Economic Zone (vs. Previous Year, unit: %)

Period	ASEAN	NAFTA	EU
2007	+20.8	+6.9	+13.4
2008	+27.2	+2.4	+6.2
2009	-16.8	-18.5	-20.2
2010	+29.8	+31.4	+14.8

The reasons why the export to ASEAN is increasing dramatically are partially because of the changes in external environments such as the recovery of world economy, the growth of ASEAN in population and economic scale, and the expansion of Hallyu or the Korean Wave. However, what contributes to the increase of the import most is the people and material interchange with these countries thanks to the active attack on the global market. In this context, ASEAN is Blue Oceans where more opportunities and more export markets are waiting, whereas North America and Europe perceived as Red Oceans in a sense. While Korea US FTA which made controversy of unequal agreement is effective and the tangible influence is being made, it is essential to diversify the trading countries and establish more active ASEAN policy considering that the trade deficit is getting bigger because the trading volume between Korea- EU gets decreased.

3 Establishment of the DB by Nation: Vietnam

In this chapter, Vietnam will be selected as an example that is favorable to Korean companies with the recent Korean Wave and this favorable atmosphere is developed into actual investment and export. In Korea, Vietnamese marriage immigrant women are increasing rapidly. Additionally, Korea and Vietnam signed on the MOU related to Employment Permit. Vietnam is the nucleus of the Korean Wave in Southeast Asia and has a favorable attitude to Korea. Thanks to the favorable atmosphere, more and more Korean companies are entering Vietnam and both of human and material interchange between two nations is increasing. Korea was the number 1 investor of

¹ According to the announcement of Korea Customs Service, the number of import and export companies increased 2.4% regardless of the economic recession.

Vietnam in 2006 and 2007, and was the second place in 2009 as accumulated investment of 20.5 billion dollars (1st place in the number of the investments as 2,327 cases).

In Detailed Information, it will review the history of Vietnam, political, economic, social trends of the country, and then knowledge and information needed for the commercial transactions. In the Category of Cultural Code, the information needed for the human relationship management such as regional characteristics, racial characteristics, taboos and courtesy will be listed, and everyday conversations that can enhance the bond with the local people will be included as data. Nurturing the cultural sensitivity on the inclusive field such as language, living status, economic environment, customs and conventions is a key to successfully prepare for the globalization.

Comprehensive knowledge on the specific culture delivers all the information on the region of the specific cultural zone. In other words, it will provide the realistic information on the problems that the participants who will have a relationship with the country in the future will face, so to speak, history, family and social structure, religion, philosophy, education, art, economics and industry, politics and government, medicine, science, and sports. Here, the information on the attitudes, the sense of value and the behaviors of the people in the same cultural zone takes an important position. Such training will help those who want to have an overview prospect through the compressed information on the specific culture.

The subcategories are classified as 7 areas such as Overview on the Nation, Economics, Trading, Investment, Information, Cultural Code and Everyday Conversations, and each subcategory includes the essential information and the knowledge for business. In the culture related subcategories proposed in this study, regional or racial characteristics of Vietnam that is composed of 54 peoples are described and their housing, clothing and food are introduced.

Vietnam is a multi-ethnics and multi-racial country composed of Viet (89%), Thai, and Han (Chinese). As the land of 1,650km length from the north to the south has big deviation of the climate, it shows various cultural soils. Consequently, regional characteristics are shown as social and cultural originality. Therefore, in the Cultural Code subcategory, not only demographical information but also the social, cultural and institutional information such as taboos in commercial transactions and local manners should be included.

In the program subcategory, simple everyday life conversations, conventionally used special expressions, and proverbs should be included. Of course, entrepreneurs can solve this problem by accompanying with an interpreter for the communication with local people. However, Vietnamese place great importance on the emotional human relationships such as blood ties and regionalism just like Koreans. Thus, to be equipped with the capability to communicate with them even greetings and a few common phrases is a very effective and economical way to get their trust. Language subcategory in the multicultural training program for entrepreneurs should include essential everyday conversation such as greetings, expressions of gratitude, and affirmative and negative opinions in the commercial transactions.

Table 3. Example of Establishment of the DB by Nation: Vietnam

Introduction	Overall History Political and Social Trend
Economy	Relationship with Korea, Major Issues Major Industry Trend Economic Trend
Trading	Status of Import and Export Characteristics of the Trade with Korea Investment Trend Related Laws (Duty, Customs, Transportation)
Investment	Foreign Investment Status Tax System Labor Management
Business	Market Characteristics Product Price Information Difficulties in Commercial Transactions Success and Failure Cases Commercial Customs
Culture Code	Introduction of Housing, Clothing and Food Courtesy Taboos Regional Characteristics Ethnic Characteristics (Overview of minor ethnic communities in the nation) Traditional Culture New Generation Culture (New Culture being highlighted recently)
Language	Greetings Expression of gratitude Expression of affirmation and negation

4 Conclusion

Just as E.T Hall's assertion that the Communication is the Culture and the Culture is the Communication, the language is the most direct expression tool to show the respect for the culture of the counterpart and the humble attitude of themselves. In Korea, the importance of English education is over emphasized, while the other languages are relatively ignored. However, it is an essential to succeed in the localization strategy to nurture human resources familiar with local culture and language in the era of globalization. Understanding the culture and the language of other countries makes it easier for the companies to accommodate to local environment equipping themselves with the necessary information and knowledge for the growth.

To establish the DB by nation for the entrepreneurs, it is necessary to shift the paradigm of cultural relativity, and there should be appropriate support from the institutions such as the Small and Medium Business Administration or KOTRA that should design the program, provide capable human resources, execute and evaluate the program afterward.

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